

December 13, 2005

Indiana Public Universities Joint Purchasing Assessment

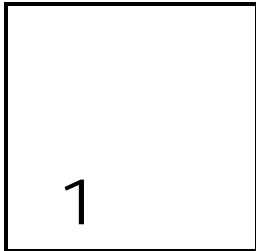
MERCER

Human Resource Consulting

Contents

1. Scope and Purpose of Report.....	13
2. Project Methodology.....	15
▪ Phase One – Data Collection and Administrator Interviews	15
▪ Phase Two – Indiana Market Understanding.....	16
▪ Phase Three – Assessment and Reporting	17
3. Implications of Pooling.....	19
4. Executive Summary	24
5. Benefit Plan Assessments	30
▪ Medical Plans.....	30
▪ Dental Plans	32
▪ Vision Plans	33
▪ Life Insurance	34
▪ Short Term Disability (STD)/Sick Pay	35
▪ Long Term Disability (LTD)	36
▪ Employee Assistance Programs (EAP).....	37
▪ Flexible Benefits/FSA/Section 125 Plans.....	38
▪ Other Voluntary Benefits.....	39
▪ Other Programs and Initiatives	40
6. Root Causes of High Provider Fees and Corresponding Health Care Costs in Indiana	43
7. Appendices.....	48
▪ Medical Plans.....	49
▪ Dental Plans	61

▪ Vision Plans	64
▪ Life Insurance	66
▪ Short Term Disability (STD)/Sick Pay	70
▪ Long Term Disability (LTD)	72
▪ Employee Assistance Program (EAP)	75
▪ Flexible Benefits/FSA/Section 125 Plans	77
▪ Other Voluntary Benefits	78



Scope and Purpose of Report

The seven Indiana public universities offer a variety of benefit plans designed to meet the needs of employees and their family members, select retiree groups and in many cases graduate and general student populations. Over 35,000 employees located in campuses throughout the state of Indiana are eligible to participate in benefit plans that include, in some cases, substantial financial subsidies by each university.

Effective July, 1, 2005, the Indiana Code concerning state and local administration was amended to require (reference Senate Bill No. 474):

- “(a) The state educational institutions (as defined in IC 20-12-0.5-1) shall cooperate to compile and submit a report to the budget committee and legislative council (in electronic format under IC 5-14-6) not later than December 31, 2005, concerning the following:
 - (1) The joint purchasing by state educational institutions of the following types of insurance: (a) Life insurance, (b) Health insurance, (c) Property insurance, (d) Supplemental insurance, including dental and vision insurance, (e) Disability insurance, (f) Worker’s compensation coverage, and (g) Other insurance offered by a state educational institution.

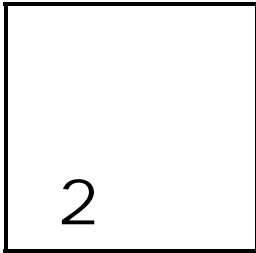
The possible ramifications, costs and cost savings in joining together to purchase the insurance specified in subdivision (1). The joint purchasing of other materials, supplies, and services by the state educational institutions and the ramifications, costs and cost savings in jointly purchasing these materials, supplies and services.”

The educational institutions subject to this legislation include:

- Ball State University
- Indiana University
- Indiana State University
- Ivy Tech
- Purdue University
- University of Southern Indiana
- Vincennes University

The scope of work requested includes the following benefits offered to employees, retirees, graduate assistants, interns, residents, students and other university affiliated individuals:

- Life insurance (both university and employee/retiree paid);
- Health insurance including medical, dental, and vision (optional plans and mandatory plans for students)
- Supplemental and disability insurance, including EAP services, Personal Accident Insurance, long term disability insurance, short term disability insurance and “voluntary employee plans” such as car, home, and mortgage insurance coverages.



Project Methodology

The universities have engaged Mercer to supplement internal expertise in analyzing the types of benefits listed above in response to the Indiana code requirement for a report regarding the “joint purchasing” of various types of insurance. The core project team was identified and each university representative was contacted to begin the project.

Phase One – Data collection and administrator interviews

Compile a complete inventory of related insurance plans from each university.

In order to streamline the data collection process, we first relied on plan documents and data contained on each institution’s web site. A draft data inventory collection instrument was prepared and refined to collect the necessary plan information. This spreadsheet was then posted on MercerConnect, a secure, website that lets Mercer share information with clients in real time over the Internet. Each team member was provided access to the website, where they could download the plan inventory spreadsheet. We also used this digital workspace to store documents related to the work we do together, including team contact information, work plans and project calendars.

While this inventory does not provide specific design or benchmarking recommendations, we used the inventory to gauge the variability and complexity of; the types of plans offered, design features within those plans, eligible populations to whom insurance plans are offered (staff, students, retirees, bargained populations, part time) and the costs and contributions across each of the seven institutions.

Equally important, we needed to understand the purchasing philosophies, strategies and techniques used by each university to create the benefit packages offered to their constituency. Individual interviews were conducted with each university to assist in determining the level of similarity among the purchasing strategies used by the institutions. Interview topics included both strategy and data issues.

Each structured interview lasted approximately two hours and included two or three benefits and/or HR principals at each university. Interviews were performed by three Mercer interview teams in order to meet the project deadline. An interview team consisted of an interviewer (consultant) and a recorder (analyst) to assure all information shared during the interview was captured. The interview questions were provided to participants in advance of the meeting to allow for preparation. The customized questionnaire focused on external procurement strategies including underwriting arrangements, preferred provider and administrative services arrangements, competitive market pressures, recruitment and retention implications, single source versus multiple vendor reliance (“best in market” versus consolidated purchasing) and local provider network implications (university hospital systems). A copy of the interview responses were provided directly to each respective university for review and editing and then posted on the Connect website for all participants to view.

Phase Two – Indiana Market Understanding

Assemble a complete understanding of the market in Indiana related to these external procurement features, including insurance and managed care companies, preferred provider networks and third-party administrative companies; with an attention to differential market features applicable to constituent populations at each university.

We used a combination of local consulting expertise from both our Indianapolis and St. Louis offices, institutional knowledge we have through assisting numerous Indiana employers with their insurance strategies, information gathered from carrier audits, along with consulting work we have done on behalf of several of Indiana’s health carriers and provider networks, such as Anthem, and Arnett to assemble a market understanding. The primary markets are: Bloomington, Lafayette, Terre Haute, Evansville, Muncie and Vincennes along with other relevant markets.

Phase Three – Assessment and Reporting

Prepare an assessment of the external procurement features to address references in the Indiana code to “ramifications, costs and cost savings to joining together to purchase” insurance coverages; focusing on the ramifications of pooling of these universities for joint purchasing.

The assessment will also include the following:

- 1. A draft summary report including project methodology, executive summary of assessment and detailed assessment for each insurance plan or category of insurance plan.*

We evaluated each insurance plan type or category individually; assessing the feasibility of joint purchasing for select benefit programs that represent the best return on value, while preserving individual university autonomy. The feasibility of joint purchasing for select benefit programs was evaluated by comparing the university arrangements in place today for each insurance product, against Mercer database information regarding best-in-class arrangements to identify potential opportunities.

- 2. Draft summary report of implications for “pooling” insurance plans with similar plans provided for Indiana state employees.*

A draft summary report of implications for pooling insurance plans with similar plans provided for Indiana state employee will be prepared by leveraging data collected from prior analyses for Ball State and Indiana University in combination with the additional data from the other five state universities. As noted above, pooling implications can range from simply a shared procurement process, maintaining individual university benefit designs and experience; to fully pooling risk and establishing core plan design options.

- 3. Draft summary report of the root causes for the high provider fees and corresponding health care costs in Indiana and cost increases that exceeded the normal rate of inflation.*

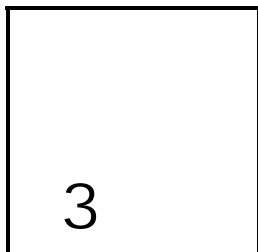
We combined the analysis from Phase Two of this study (insurance markets in Indiana) along with cost and demographic data from our database to provide a comprehensive analysis of root causes for high health care costs in Indiana.

4. A group follow-up interview with universities to review the draft reports with knowledgeable university administrators and Human Resources principals.

Follow-up interviews and discussions with the university were vital in finalizing the assessment and reports regarding joint purchasing. One of the key dynamics of successful joint purchasing initiatives is a common purpose and involvement from all interested institutions. The follow-up interview with the group to review the draft report(s) helped foster this common purpose. From conclusion of the group follow-up interview, we finalized the report(s) and assessment.

5. Final reports, incorporating relevant facts and observations from university administrators and Human Resources principals.

Final reports incorporating feedback from follow-up interviews with the university representatives will be provided by December 16, 2005.



Implications of Pooling

There is a range of ramifications and costs associated with joint purchasing for employee benefits. This range is dependent, in part, by the funding arrangements, design, demographics, eligibility provisions and benefit plan differentials between the participating organizations and also in part by the degree of pooling.

Some coalition initiatives leverage purchasing by selecting a single vendor for each insurance category while maintaining separate designs, experience and contributions (in essence preserving individual plans and contracts). In this scenario, the joint purchasing ramifications are primarily vendor negotiation, selection and perhaps shared communications efficiencies.

Other purchasing coalitions include not only vendor selection but standardization of plan designs and options for participating organizations to choose from while still maintaining individual experience.

The most complicated joint purchasing arrangements include all of the features above in addition to pooled experience. Vendors and carriers can then underwrite a single risk pool. These pooling arrangements are quite complex and require additional legal oversight and regulatory filings.

With regard to employee benefits, it is important to understand that larger volume does not necessarily yield cost savings. Benefit plan costs are directly related to claims incurred by employees (and where applicable) their dependents. As noted above, claims experience varies from employer to employer based on many factors. While pooling of experience may, in some situations, provide cost avoidance, it does represent an “averaging” of cost whereby some employers realize lower cost but others incur higher costs.

This is particularly true with regard to employee medical benefits. The largest component (90% to 95% of total cost) of medical benefit plan costs are based on provider payments for medical and pharmacy services incurred by employees and their dependents. The remaining 5% to 10% is related to administrative services for claims payment/customer service, utilization management, and provider network contracting. Insured funding arrangements add 3% to 7% for premium taxes, corporate risk charges and profit. Most universities self-fund their medical benefits so issues related to insured contracts are not relevant to this analysis.

For medical services, cost is directly related to utilization of medical care by employees and their dependents. Costs are avoided and savings are achieved through medical management, population health improvement, and provider discounts. Medical management and population health improvement are outside the scope of this analysis. Provider discounts are negotiated by vendors using the purchasing power of all employers they represent. Anthem for example, uses the leverage provided by over 2,000,000 lives in Indiana. In any region of Indiana, the universities represent a very small portion of the insured population. As a result, there would be no meaningful improvement in purchasing power for provider discounts through joint purchasing by the universities.

Following are specific implications of pooling that apply to the public universities in Indiana..

Medical Benefits - Employee and Retiree Programs

Four of the seven universities use Anthem BCBS for medical benefits administration. Due to unique provider network issues, three universities partner with local/regional networks, such as Sagamore, Signature Care, Encore or IHN and a TPA rather than a bundled national carrier program. For example, Anthem does not have competitive network discounts in Muncie. In our opinion, there are no viable options for a single state-wide vendor for medical benefits.

However, if the universities that utilize Anthem collaborate, all universities would benefit from shared information. Shared information would allow the universities to benchmark ASO fees and possibly negotiate improved pricing. There would also be value in managing the relationship with Anthem more effectively, dealing directly and at the highest level within their organization.

We believe that there would be value in collaboration among all Indiana universities, sharing strategies for what is working and what is not, and leveraging each other's knowledge and resources. Combined databases would also be useful for a variety of analyses, benchmarking studies, and evaluation of healthcare providers who demonstrate high quality and better outcomes.

There might be an opportunity for the universities to utilize Indiana University's model of carving-out Mental Health/Chemical Dependency benefits that includes EAP, back to work and fitness for duty services. Through direct contracting, this model eliminates

the margin a third party vendor would charge, uses appropriate providers and facilities, and ensures high quality care is delivered. In addition, with an integrated EAP, return to work, and fitness for duty services, this model supports the need for a more managed sick leave that several universities expressed. This arrangement may be difficult for certain fully insured plans however, at a minimum, EAP and return to work services could be considered.

Medical Benefits – Student Programs

Student medical programs vary widely and for a number of universities are managed by their Student Affairs department which might complicate joint purchasing processes. These plans are predominately fully insured, with the exception of Purdue University and Indiana University's plans they incorporate few features of managed care with significant differences in benefits and costs. Student medical plans at several universities use affiliated medical facilities and other schools and departments with programs related to health care service.

We believe that there may be cost saving opportunities related to the student medical plans, particularly through the implementation of managed care, but the selected vendor(s) must be capable of integrating available university resources for the delivery of health care.

Dental Benefits

The universities use a number of different dental vendors including Delta, CIGNA, Anthem, Health Resources, Inc and CompBenefits. Managed care in Indiana is very limited, and with the exception of Evansville, dental providers generally do not contract with managed care companies

We believe there might be opportunities for joint purchasing, but greatest if all plans converted to self-funding. Even for voluntary plans, dental claims experience is relatively predictable allowing each university to realize cost savings related to self-funding (reduce profit/risk margins, etc.) and purchasing power of the combined organizations with limited additional risk.

As with medical benefits, universities would benefit from shared information. Shared information would allow the universities to benchmark fees and possibly negotiate improved pricing. There would also be value in managing the relationship with a single vendor more effectively, dealing directly and at the highest level within their organization.

Life Insurance Benefits

Ball State and Indiana University utilize forms of self-funding for life insurance benefits which minimizes expenses, limiting opportunity for further savings through pooling. The remaining universities are insured with rates that are competitive based on our benchmarks. We do not believe there would be any savings through joint purchasing of these benefits.

However, several of the universities who utilize insured contracts might benefit from alternate funding arrangements. Alternate funding arrangements provide significant protection against catastrophic risks, while minimizing insurance company profit margins. The universities would also realize savings through improved management and investment of reserves and other contingencies related to death benefits.

Short Term Disability (STD)/Sick Pay

With the exception of Purdue, the universities provide either sick leave accrual or a Paid Time Off bank for short term disabilities, administering these in-house. Purdue offers an employee paid STD insured by CIGNA.

There are no opportunities for pooling these benefits.

Long-term Disability Benefits

Four of the seven universities use CIGNA to insure their LTD benefits. USI and IU offer The Standard, Ivy Tech uses AUL. Though benefits and employee contribution requirements vary significantly, population demographics are relatively similar. Rates range from \$0.33 to \$0.71 per \$100 of covered pay. For those universities using CIGNA, we believe that there may be premium savings available through joint negotiation. For smaller universities, a master contract might also provide enhanced underwriting provisions and attention to disability management.

For larger universities who continue to insure their long-term disability benefits, self-funding might offer some savings through elimination of insurance company profit margins, more accurate valuation of claims reserves, and higher return on the investment of reserves.

Employee Assistance Programs (EAP)

Only two of the universities use independent vendors for their EAP programs. One university does not offer an EAP, and the remaining universities use in-house resources that are unique to their organizations.

In our opinion, there is little opportunity for joint purchasing of these services.

Flexible Benefits/Section 125 Plans

One university administers their FSAs in-house but plans to outsource in 2006 and another plans to take administration in-house in the future. Vendor fees for FSA administration at the other universities are competitive based on the services provided. Roughly 7,600 employees will participate in the programs administered by outside vendors in 2006 so even if unit fees were reduced, savings would be minimal and might outweigh the expense of joint purchasing.

Voluntary Benefits

Other than voluntary life and personal accident benefits, most of the universities do not offer additional voluntary benefits. Many universities expressed an interest in offering selected voluntary products. While there might be some value to employees through joint purchasing of these products (slightly better rates, enhanced underwriting provisions, and better service), the universities' would not benefit from any cost savings.

We do not believe that joint purchasing of voluntary benefits is worth pursuing at this time.

4

Executive Summary

Each university was eager to share their benefit strategy and plan information in support of this project. The plan inventory and leadership interviews provided the context within which joint purchasing opportunities were evaluated. As noted earlier, certain dynamics within and across organizations considering joint purchasing, lend themselves to successful initiatives better than others. The following observations highlight the key factors that influenced the assessment of joint purchasing opportunities.

One dynamic that affects not only the success of joint purchasing but also the extent to which joint purchasing can be pursued is commonality in benefit strategy. Most universities expressed concern that joint purchasing of health care programs would result in a loss of local influence on both benefit design and administration components. Benefit programs play different roles in total compensation strategies across each university. A few universities structure their total rewards package to be more heavily weighted with benefits than compensation. These institutions indicated a reliance on a competitive benefit package, from a faculty, graduate student and support staff perspective, to balance slightly below average compensation as a recruitment and retention strategy. For others, the reward strategy is for at or slightly above market compensation and benefits given the unique and limited talent pool universities compete in for faculty and staff. Many universities noted an institutional legacy and, to some degree, a future commitment (if financially feasible) to individualized employee service. Attracting and retaining the best and brightest faculty requires a combination of highly competitive total rewards packages as well as individualized attention for a diverse population. Some have achieved this service goal through highly automated systems while others have used more “high touch - low tech” solutions. The leadership teams acknowledged the difficult dynamic this creates in an environment of increased consumer responsibility and empowerment along with necessary cost containment. For those that have used “high touch”

structures, transition to the Consumer Driven plans will create significant change and communication challenges. More broadly, the philosophies range from offering choice among benefit options in combination with education to a single benefit package for simplicity and financial leverage.

A few universities attempt, where possible, to encourage the use of their own or affiliated medical facilities and providers. This is a key financial as well as a perception issue. Financially, the use of one's own facilities allows the plan to provide benefits at cost, in lieu of paying (likely higher) contracted rates through a third party. Certain of these initiatives have been thwarted by the incumbent vendor's inability to administer such changes. Virtually all hope of moving further in this direction will be lost if Indiana public universities are no longer able to manage their own programs.

In group purchasing, a bigger population does not necessarily mean a better arrangement for everyone. For group purchasing to be most effective in negotiating lower fees, the combined group must represent a substantial purchasing block to a prospective vendor. Joining together the seven public universities or even employees of the State would have little influence with a vendor that covers over 2 million lives such as Anthem in Indiana. There was belief among the group that the Anthem Rx purchasing initiative has not yet delivered significant cost savings or administrative and service enhancements over their prior arrangements. For some, this was due to simply higher administrative fees but for others there were design or individual initiatives (such as on site pharmacies, specialty drug carve-out and High Deductible Health Plans with an HSA component) specific to their circumstances, that could not be pursued under the group arrangement. Some universities suggested that it was unclear from experience reporting if discounts or rebate guarantees provided an advantage, while some merely said they were too new to the plan to tell.

Another dynamic affecting purchasing strategy is the way benefits are delivered in an area. In Indiana, health care is locally driven with highly independent provider groups. Many of the seven universities have significant populations of employees, graduate students or retirees accessing health care in markets where there is limited provider competition and the university populations have little overlap with each other. In these areas, care is provided by one, or perhaps two hospital systems and their affiliated provider groups. Networks and carriers likely contract with one or the other hospital system but are rarely successful securing heavily discounted fees from both. Catastrophic or tertiary care is appropriately directed to major hospitals in Indianapolis, Louisville, Chicago, St. Louis and beyond. In addition, (or as a result) there are fewer provider networks available in these areas from which to access discounted fees. A number of universities partner with local/regional networks, such as Sagamore, Signature Care, Encore or IHN and a TPA rather than a bundled national carrier program; believing these more regional plans are more appropriate for their local markets.

Nearly all universities are giving attention to medical plan costs. Healthcare costs are rising faster than nearly all other expenses which make allocation of the universities' limited resources even more challenging. For some, this shortfall is made more catastrophic when combined with local economic conditions that have triggered lower student enrollment.

Levels of integration between benefit programs or vendors can influence joint purchasing success. There are current efforts to integrate programs and services at each university that might be disrupted if joint purchasing is adopted. For many, these initiatives reflect the local resources and specific needs of their institution. For example, an EAP coordinated with medical plan providers and benefits, in concert with paid time off, may afford an institution considerable savings that cannot be replicated by all other institutions. In addition, there are several universities that are purchasing multiple products from a single carrier which can improve leverage and pricing.

Commonality of participating group adds efficiency in joint purchasing arrangements. The university employee populations range from less than 1,000 full time and benefits eligible employees to over 16,500 with little geographic overlap. Both large and small institutions are employing innovative approaches. One university is adopting an "endorsed provider panel" that identifies a subsection of providers as quality providers based on outcomes and practice patterns. Benefits for these providers have coinsurance and copay differences from non-endorsed providers. Another university is working to set-up and administer a high value provider network. The intent of this program is to steer services to healthcare providers who demonstrate high quality and better outcomes. Other examples, include large and small institutions using Health Risk Assessments to support their health promotion initiatives. Many have achieved cost management through self-insurance using a limited number of networks while others have leveraged fully insured HMOs to address multiple campuses throughout the state with small populations. Aside from simply plan design differences, insurance plan offerings vary widely across the universities. These differences range from funding, carriers, eligibility, contributions, plan year, geographic dispersion and networks which we will highlight in Section Five. While none of these in and of themselves precludes joint purchasing arrangements, they do add significant complexity.

Some of the universities are wrestling with post retirement benefit programs. Many, still subsidize pre-65 or both pre and post 65 medical and in some cases dental and life insurance benefits for retirees. In addition, there are significant populations of active employees with long tenure who are approaching retirement. A number of institutions have frozen or discontinued post retirement medical for future hires to help cap future liabilities. Of those that have post retirement medical obligations, most are taking the Medicare Part D subsidy to help offset costs.

Several universities have bargained employee groups to consider. While by in large these groups cannot strike nor bargain for benefits, leave plans are subject to bargaining and are often linked to the benefit plan.

Due to the local nature of health care in Indiana, local employer/provider coalitions offer significant opportunities to influence health care delivery. Several universities participate in local and regional employer groups focused on quality, cost and reporting initiatives throughout the state. These include in Lafayette, Purdue's participation in the Employers Health Forum; in Indianapolis, Indiana University and others participate in the Employers Health Quality Alliance focusing on quality initiatives. The Tri-State Business Group on Health in Evansville has attracted the larger employers and providers in the community.

A key driver of health care costs in Indiana is the relatively poor health status of many residents. Most of the universities have either begun wellness programs either through their medical providers, third party administrators and local hospitals or have expanded these initiatives to be broader health promotion philosophies incorporating innovative plan design strategies (100% coverage of preventive care, etc...) combined with educational and behavioral components. Active health promotion to both manage existing conditions and prevent future chronic illness is imperative to manage costs.

Several universities expressed a need for better management of sick leave programs that would integrate with long term disability programs for improved clinical and potentially cost management. Two universities use a third party short term disability manager (CIGNA) for segments of their employees, while most employ more traditional sick leave and paid time off programs.

Based on this evaluation of the current strategies, philosophies and benefit programs at each university, there are a number plans that offer good joint purchasing opportunities. In addition, there may be a number of other opportunities that could be employed by a subsection of universities given their size and circumstance.

1. The most promising opportunity exists for joint purchasing of student, graduate student and international student benefit programs. While these programs are a pass through service for some students (students pay the full cost), there are significant population of over 6,000 graduate students who are provided a high level of university paid coverage. Through joint purchasing it may be possible to negotiate a better financial arrangement that would be beneficial for the student population and the universities themselves. Using a single vendor for basic student paid coverage and university paid graduate student coverage would provide better vendor leverage and potentially contract provision.
2. Another opportunity exists with using Indiana University's model for carve-out Mental Health/Chemical Dependency program that includes EAP, back to work and fitness for duty services. Through direct contracting, this model eliminates the margin a third party vendor would charge, uses appropriate providers and facilities, and ensures high quality care is delivered. In addition, with an integrated EAP, return to work, and fitness for duty services, this model supports the need for a more managed sick leave that several universities expressed. This arrangement may be difficult for certain fully insured plans however, at a minimum, EAP and return to work services could be considered.

3. Regular data exchange and benchmarking of plan provisions and fees among the group could provide valuable information for fee negotiation with vendors. With a number of universities using Anthem, this could even extend to joint negotiation with Anthem regarding fees and plan provisions, while preserving independent benefit plans. This benchmarking would also support sharing innovative strategy and design changes that each institution is considering for the future. This more regular review of benefit plans would allow the institutions to benchmark their programs and continually evaluate opportunities for future joint purchasing initiatives.
4. Self-funding of life insurance and or Long Term Disability (LTD) with internal management of reserves could offer good opportunities for several universities. Currently, Indiana University and Ball State self-insure their life insurance benefit. Excess liability and claim variability can be capped through the use of re-insurance (insurance that kicks in above a certain dollar threshold) on an individual or aggregate level. Self-insuring eliminates profit margin and the reserves held by insurance companies to fund current and future claims. The university is afforded the advantage of keeping the reserves within the university and the interest or income those reserves generate. This self funding approach can be used for both life and LTD benefits.

In addition to the opportunities outlined above, the following are programs that could be joint purchased by a subset of the universities.

1. Joint purchasing of Flexible Benefit Account administration may provide limited cost and service opportunities. A few universities currently include debit cards with their FSA program which could be structured with a crossover provision if an HSA medical option is introduced (at least one university will be adding a High Deductible Health Plan (HDHP) with an HSA). However, it is important to note that participation in these programs is typically low compared to the eligible population, reducing the total value that might be achieved through joint purchasing.
2. There are considerable similarities in Long Term Disability (LTD) programs among the universities. Six of seven provide replacement income at 60% of pay with either a 90 or 180 day elimination period. (BS uses a 60 day elimination period). While monthly maximums vary, ranging from \$3,500 per month to \$10,000 these design differences could be administered by a carrier. Currently three of the seven universities use CIGNA on a fully insured basis. These could be joint purchased through a master group agreement while each population would be underwritten separately. The three largest universities would likely not realize savings from the joint purchasing arrangement, however the smaller universities could benefit from reduced margins, tighter management of incurred claim reserves, and enhanced underwriting provisions.

3. A few institutions expressed interest in adding certain voluntary benefits, particularly vision and long term care (LTC). These are programs that easily lend themselves to joint purchasing. Joint purchasing of voluntary programs would not result in financial savings for the universities but could provide a better value for employees. There are existing joint purchasing programs such as The Educators Group which can provide value added services such as tax and estate planning, and communication.
4. On a more limited basis, several of the smaller universities expressed interest in Short Term Disability (STD) programs to replace current sick leave programs for certain segments of their population. This could be designed to integrate with the LTD carrier providing consistent medical management and claims administration similar to Purdue's program. Given the variety of sick leave, paid time off programs and bargaining units, this may have limited appeal for the larger institutions.

5

Benefit Plan Assessments

Medical Plans

General Comments

All seven universities offer one or more PPO plans with widely varying deductibles, copays, plan years and out-of-pocket maximums

- Four of the seven, Indiana University, Ivy Tech, Vincennes University and University of Southern Indiana (USI) are provided through Anthem BCBS
 - Indiana University self insures their two PPO plans, PPO \$900 and PPO Plus, and one POS plan; covering over 12,300 employees, and 185 retirees. IU does not purchase stoploss reinsurance.
 - Vincennes self insures its PPO plan covering over 700 active employees and purchases stoploss through AIG.
 - Ivy Tech fully insures their PPO plans.
 - USI utilizes a cost plus funding arrangement to insure their PPO and purchases stop loss insurance through Anthem BCBS.
 - The State of Indiana offers two self insured PPO plans covering roughly 15,000 employees
- Purdue offers two self insured PPO options, Incentive PPO and Purdue 500 plan, using a combination of networks (PHCS and Signature Care/Encore) that are administered by Wausau Benefits.
- Ball State University's PPO plan is administered by Key Benefit Administrators using the Indiana Health Network (IHN) PPO network. Ball State will also be offering an endorsed provider network based on quality and physician practice patterns and two High Deductible Health Plans, one with an HSA effective July 1, 2006.
- Indiana State University (ISU) covers over 1,800 employees through one PPO plan administered by Principal (Malloy) using a combination of PHCS and Sagamore Plus provider networks. ISU purchases stoploss reinsurance.

Five of the seven universities offer HMO options in addition to their PPO plan(s).

- Most of the HMOs are offered to provide choice to employees or to address local network deficiencies in the PPO plan.
- Only Ivy Tech describes HMOs as a core delivery mechanism.

All seven universities participate in the State of Indiana Prescription Drug purchasing arrangement. This arrangement minimally impacts Ivy Tech as the majority of employees are enrolled in fully insured HMOs.

All of the universities offer retiree medical, however only four make significant contributions toward that coverage.

- ISU has nearly as many retirees (1,250) as actives covered under the medical plan and pays approximately 90% of the cost. ISU has discontinued future post retirement medical for those hired after January 1, 2005
- ISU received a competitive fully insured quote from NEBCO for its post-65 retiree medical and is contemplating this arrangement.
- USI offers a choice of three plans to retirees on a Medicare Carve-out basis for post-65 retirees and spouses, and USI pays almost 75% of premiums for retirees who were hired prior to July 1, 1993. Retirees hired after that date contribute either 25%, 50%, or 75% based on their years of service at retirement.
- Ball State University with roughly 975 retirees and Vincennes with 231 retirees offer active medical coverage and pay approximately 75% of the premium
- Indiana University offers one post-65 coverage option: An Anthem Medicare supplement plan with no prescription benefit.
- Purdue University also offers a post-65 coverage option including Medicare supplement, prescription drug, and wellness benefits. Retirees pay all the cost.

Student medical plans vary widely, are offered through a variety of vendors.

- Ivy Tech provides all students Student Accident Insurance through POMCO which covers medical expenses incurred as a result of accidents on campus or during college sponsored activities.
- Indiana University and Purdue provide Medical Students and graduate assistants, with fully or largely university paid coverage; all other students are offered a student paid plan.
- Indiana State University offers a student plan underwritten by ACE American Insurance Company and administered by Academic HealthPlans.
- USI offers a voluntary plan underwritten by Columbian Life where the student pays the full cost.

Dental Plans

All seven universities offer one or more dental plans

- Three of the seven; Purdue, Ivy Tech and Indiana State University use Delta Dental PPO on a fully insured basis with different benefit designs.
- Purdue's dental plan is optional. Employees do not have to elect coverage but if they do they pay 100% of the cost.
- Ball State, Vincennes and Indiana State University bundle medical elections and contribution methodology with dental.
- USI offers a local DHMO through Health Resources, Inc. and bundles medical and dental insurances.
- Indiana University uses CIGNA passive PPO dental network on a self insured basis.
- Ivy Tech offers a DHMO through CompDent along side their Delta Dental PPO.

All except Indiana University provide access to dental coverage for certain or all retirees

- Vincennes, Ivy Tech, USI and Indiana State provide coverage at the same premium as actives for certain retiree populations or as a retiree pay all.

Vision Plans

Four of the seven universities do not offer a stand alone vision plan. All reference preventive and screening benefits provided through medical plans (with limitations) and Indiana University supplements this with eyewear provided at a discount from the IU School of Optometry.

Two universities, Indiana State and University of Southern Indiana offer voluntary employee paid coverage through Spectera.

Purdue offers 100% university paid limited coverage through Vision Service Plan (VSP) on a fully insured basis.

Life Insurance

All seven universities offer basic Term Life insurance and Accidental Death and Dismemberment (AD&D) benefits.

- All but Ball State University offer basic employee coverage 100% paid by the universities. Ball State employees pay 25% of the premium.
- Indiana University self insures basic life and fully insures AD&D through The Standard. Ball State uses a modified self-insurance arrangement through CIGNA that accesses a continuance fund managed by CIGNA.

Coverage levels range from 1 times pay for Ivy Tech and Vincennes universities, 1.5 times pay for University of Southern Indiana, 2 times pay for Indiana University and Ball State to 2.5 times pay for Indiana State University employees.

- Purdue pays 100% of the premium for 1 times pay. If an employee chooses 2 or 3 times pay, Purdue pays 100% of one times pay and 50% of the remaining.
- Coverage maximums range from \$50,000 (Indiana University) to \$150,000 (Vincennes and Ivy Tech).
- AD&D amounts correspond with life benefit for all but Purdue employees who receive a flat \$15,000 benefit.

Rates range from \$.020 per \$1,000 of covered salary to \$0.46 per \$1,000 of covered pay.

Indiana University and Purdue University offer flat spouse and dependent life benefits in conjunction with employee life benefits.

Retirees are provided a life benefit by five of the universities (Ball State, Indiana State, Indiana University, University of Southern Indiana and Vincennes University) at a variety of coverage levels ranging from fixed dollar amount of \$5,000 to 50% or pre-retirement levels.

- Interns and residents at Indiana University are provided a flat \$20,000 benefit.

Short Term Disability (STD)/Sick Pay

Six of seven universities use a sick pay program with sick pay accrued throughout the year. The most common accrual is 12 days per year (Indiana State, University of Southern Indiana, Indiana University, Ball State and Ivy Tech).

Ball State has implemented an Paid Time Off (PTO) program for it's 500 bargaining unit employees. Employees can accrue paid time off up to the prior vacation benefit level. STD benefits integrate with LTD which has a 6 month elimination period and is self insured through CIGNA.

Purdue offers a self-insured employee pay all STD benefit option through CIGNA in addition to sick leave.

Long Term Disability (LTD)

All universities offer a Long Term Disability (LTD) plan.

- All seven are fully insured plans.
- All provide a 60% of pay replacement except Purdue which offers a 65% of pay benefit.
- Maximum monthly benefits range from \$3,500 to \$10,000.
- All have a 90 or 180 day elimination periods, except Ivy Tech and Ball State which has a 60 day elimination period. The elimination period is intended to coordinate with salary continuance/sick pay.
- A few plans offer provisions such as cost of living increases, 36 month own occupation limitation and catastrophic disability benefits.

Only Indiana State University and the University of Southern Indiana pay 100% of the premium all others share cost either 50/50 or 75/25 with employee.

- Indiana University has the only plan 100% employee paid but offers four levels of coverage including option to protect retirement contributions.

Premiums range from roughly \$0.33 per \$100 of covered pay to \$0.71 per \$100 of covered pay.

All but three use CIGNA as their LTD insurer; Indiana University and the University of Southern Indiana use The Standard (which is also IU's Life Insurance administrator), and Ivy Tech uses AUL/One America (also it's Life Insurance carrier).

Indiana University's and the University of Southern Indiana's plans include a unique provision to replace retirement plan contributions.

Employee Assistance Programs (EAP)

Employee Assistance Programs vary widely among the universities.

- Four universities offer in house programs that leverage clinical mental health facilities or educational programs sponsored by their institution.
- Indiana University's program integrates with MH/CD and return to work assessments through IUPM subsidiary.
- Vincennes does not currently offer a formal EAP
- Ivy Tech allows each region to coordinate an EAP plan for their regions; six of the 14 regions do not offer an EAP program, two use Supportive Systems EAP, three use Solutions EAP and the remaining four use local EAP programs.
- University of Southern Indiana uses Deaconess Concern EAP.

Flexible Benefits/Section 125 Plans

All universities offer Flexible Benefits/Section 125 plans.

- Indiana State University will offer FSA for the first time January 1, 2006, in conjunction with open enrollment.

University of Southern Indiana and Indiana University use a separate vendor than their TPA/medical carrier and include a debit card, for fees ranging from \$4.30 per participant per month at Indiana University (\$3.10 plus \$1.20 for debit card users) to \$5.25 per employee per month at USI. IU is considering moving Flex/125 plan claims administration to IU HRMS (Peoplesoft).

Purdue currently administers their FSA program (both health and dependent care) in-house, although this will be outsourced next year.

Ball State University and Ivy Tech use Key Benefit Administrators at a fee of \$5.50 per participant per month. This includes the debit card component.

Vincennes University uses Flex Ben at a fee of \$4.00 per participant per month.

Other Voluntary Benefits

Personal Accident Insurance

- Indiana University and Purdue University offer voluntary personal accident insurance on a fully insured basis.
- Indiana University through CIGNA with a 58% election rate and Purdue through Prudential Insurance with an 80% election rate.

Supplemental (Voluntary) Employee and Dependent Term Life Insurance

- All but two universities offer this benefit through their basic Term Life Insurance Carrier.
- Indiana State University offers voluntary employee and dependent life through a separate carrier (The Standard) using age banded rates.
- Ball State does not offer supplemental life insurance beyond the basic term life.
- Coverage amounts are typically increments of pay (1x, 2x, 3x) for employee and flat dollar benefits for spouses and dependents.
- Indiana University and Ivy Tech do not offer additional dependent coverage.
- USI offers voluntary employee and dependent life through a separate carrier (Prudential) using age banded rates.

Long Term Care (LTC) Insurance

- Only Ivy Tech offers LTC as an option through MetLife through the Indiana Partnership Plan. Premiums are billed directly to employees and are banded by age and coverage level.
- Purdue's Group Universal Life product has a long term care provision but is not a stand along product.
- Indiana University is evaluating a true group LTC plan with John Hancock for implementation during 2006.

Other Voluntary Options

- Purdue offers various voluntary benefit programs that include Group Universal Life, Auto/Homeowners insurance and Pre-paid Legal. Long term care insurance will probably be added in 2006. This package is administered by Future Planning Associates.

Other Programs and Initiatives

Purdue

- Purdue is using health risk assessments (HRA) to support behavior change initiatives and wellness programs and will provide a \$100 cash incentive to participate. Wellness programs are financed by the medical plans. In addition, Purdue is using StayWell as a wellness vendor to supplement its program.
- Purdue participates in the Employers Health Forum, consisting of 20 employers in the community. Employers Health Forum is working with physicians and hospitals on healthcare issues. One subcommittee is working to develop a pay for performance network of medical provider. Forum recently completed an Economic Cost Study.
- STD and LTD integrated with CIGNA but Purdue would like to integrate Workers Compensation currently covered by Liberty Mutual.
- Purdue has contracted with MedStat to consolidate all claims data. This data is used to analyze claims and cost trends within all benefit programs for University decision making.
- Low back pain is a costly condition for Purdue. Purdue is working with student health professionals, mining claims data to identify changes necessary to combat low back pain. Group will create an action plan for the Safety and Ergonomic Department.
- Purdue is beginning to look at insurance programs more holistically, collecting data from the medical, STD/LTD and Workers Compensation plans with the goal of better absence management and enhanced return to work programs.
- Planning for a high deductible consumer driven health plan with HSA.

Indiana University

- Evaluating consumer directed health plan designs including a high deductible health plan coupled with HSA.
- Working with a group of large Indiana employers in central Indiana regarding quality measures that are provider-based. For example, they are working with M-Plan to develop a program that would create competition among various IPAs. Employees would have one benefit plan structure but would choose which IPA they wanted to use for healthcare services. Price to the employees would reflect M-Plans' contractual agreements with the IPA they select.
- Working with Anthem to set-up and administer a high value provider network. The intent of this program is to steer services to healthcare providers who demonstrate high quality and better outcomes.
- Other initiatives with the coalition of central Indiana employers include: a pilot project for e-visits with select physician groups across the state (effective January 2006); improving provider discounts for lab and imaging services (could lead to a preferred-preferred network for 2007); and greater transparency in provider pricing and reimbursements.

- IU has their own healthcare data repository which allows them to conduct in-depth analyses of healthcare cost drivers, and therefore do not have to rely totally on Anthem or other vendors. They have also used this resource in support of their strategy for transparent pricing.
- Evaluating VEBA trust arrangements for both University and employee contributions to fund medical expenses during retirement years. This would provide significant tax advantages and savings for employees.

Ball State University

- Ball State is working with their TPA Key Benefit Administrators (KBA) in collaboration with Indiana Health Networks (IHN) to use book of business claims data and physician practice protocols to determine quality providers. Along with the City of Muncie, in 2006 Ball State will implement benefit differentials for non-endorsed providers resulting in 50% higher out-of-pocket costs. KBA and IHN used American Health Data Institute for practice protocols and quality measures.
- Will be adding a High Deductible Health Plan (HDHP) with and without an HSA feature. In conjunction with the HSA feature, they have a Flex FSA card that will integrate with the HSA account.
- Ball State uses Nurse Navigator for chronic disease states to support disease management initiatives and will be adding Nurse Practitioners in retail stores to the provider network.
- Ball State has also entered into direct contracting with Ball Memorial Hospital and Pathology Associates.
- Prior to the Rx joint purchasing program with Anthem, Ball State was evaluating an onsite pharmacy.

Ivy Tech

- Ivy Tech is using M-Plans HRA and Personal Health Coach program that encompasses six disease states. In addition, Spectrum provides health coaching (for non M-Plan members), health fairs and nurse line services in concert with each medical carrier.
- Ivy Tech has had a wellness program since the mid 1980s and has 20% participation in HRAs.
- Student nurses are used to support health fairs providing biometric testing.

Indiana State University

- Indiana State University attempted to implement wellness some time ago but was met with suspicion and resistance by the Faculty Committee. ISU will try to implement wellness again leveraging more positive communication tools from Principal.
- Nursing school student are used for blood pressure screenings, etc...

University of Southern Indiana

- Medical plan design changed to offer two deductible levels, a high and a low design, thinking ahead to more consumer driven designs.

Indiana Public Universities

- USI has a Wellness Committee, a Benefits Review Committee, an Employee/Student Health Fair, a Disease Management program through Anthem BCBS, and added a voluntary vision plan effective January 1, 2006.
- In addition, USI participates with the local SHRM chapter and the Chamber in their regional compensation and benefits survey to assist in benchmarking compensation and benefit levels.

Vincennes University

- Vincennes has been focusing on implementation of a new HRIS system which is scheduled to go live by January 2006.

6

Root Causes of High Provider Fees and Corresponding Health Care Costs in Indiana

In as many ways as the seven Indiana public universities benefit programs are, on the surface similar yet fundamentally different; so to the root causes of high health care costs in Indiana are similar yet manifest differently than other states or the U.S. in general. There are four key factors that are driving not only higher health care costs in Indiana but also cost increases that exceed the normal rate of inflation. These factors are; demographics combined with health status, health plan and insurance market dynamics, Indiana employer characteristics and geographically dispersed population centers and lastly health care provider and facility influences. Clearly, none of these factors are unique to Indiana. It is the way these factors have interacted that has resulted in the current state of health care in Indiana.

Demographics and Health Status

Recent studies have highlighted the challenge of Indiana's aging population. The fastest growing age group in Indiana is the 55 – 64 bracket, resulting in a higher than average age as compared to other comparable states. In general, health care spending for this age bracket can be nearly twice as high as for people age 35 – 44. But although the 45 – 64 age group is rapidly growing, it still represents a smaller proportion of the total population in Indiana than other states.

However when age is considered in combination with the prevalence of high cost medical conditions in Indiana, we see hospital and prescription drug utilization and their corresponding costs, increase in the double digits. When these are adjusted for severity, the rate of increase drops to mid single digit levels. This suggests that poor health status in Indiana has a significant influence on costs and utilization but this is even more prominent when a condition is linked to the older age groups. To illustrate this effect, according to a US Department of Health and Human Services Center for Disease Control study, while the overall prevalence of coronary heart disease has decreased in Indiana, it has nearly doubled for the 55 – 64 age group. And while mortality rates for pulmonary conditions

such as emphysema, chronic bronchitis, and chronic obstructive pulmonary diseases have decreased, Indiana's rate is still higher than the national average. The prevalence of diabetes in Indiana has risen alarmingly, doubling in the 35 – 44 age group. Cerebrovascular death rates in Indiana for the 55 – 64 age group have tripled in the past five years. Lastly, the contribution of smoking and obesity adds an equally sobering effect on Indiana health status. The prevalence of obese adults or smokers in Indiana has risen at a greater rate than the national average. Through our interviews with each university, we heard over and over that high cost claimants are a significant contributor to university cost increases. All of these come at, not only a direct monetary cost to the health care system in Indiana but the additive effect of claims to other private and social services care such as skilled nursing, rehabilitation and disability programs.

The uninsured population in Indiana, more than 800,000, is also higher than national averages resulting in a greater cost-shift to private payers. Poor health status is not reserved for just those with private insurance. Thousands of Indiana residents have lost their employer sponsored coverage over the past several years and Indiana's rate of uninsured is rising twice as fast as the national average. Nearly 70% of those without coverage are full time workers. Many uninsured are unable to find comparable coverage on an individual basis as a result of their health status. In response, the legislature created the Indiana Comprehensive Health Insurance Association (ICHIA) to offer an alternative for health insurance coverage to the residents of Indiana who experience problems in obtaining or keeping health insurance due to a medical condition. But despite this effort, un-reimbursed care continues to burden state and local government, providers and employers. Even local citizen organizations such as the Citizens Action Coalition have added healthcare to its agenda.

Health Plan and Insurance Dynamics

Aside from Anthem Blue Cross and Blue Shield which dominates the Indiana health plan market serving over 2 million members, the other major Indiana Health plans reflect more regional or local provider sponsored plans. Aetna, CIGNA and United Healthcare do operate in the state, however their combined membership is less than half that of Anthem. And while Anthem provides employers a true statewide network, these regional provider sponsored plans have had very good success contracting on a local level with the key providers in a community. As a result we see a number of universities in secondary health care markets such as Vincennes, Terre Haute or Muncie; either rely solely on local networks and health plans or as a supplement to a statewide provider.

In these areas and others across the state; one or perhaps two hospitals and their affiliated providers deliver health care to an entire community and in some cases surrounding counties. Health plans are able to contract with either one or the other but rarely both. Given the more rural surrounding communities, for some employers this effectively forces the use of multiple networks or plans.

In Evansville, we see this played out between St. Mary's and Deaconess Hospitals and to some degree even the regional HMO Welborn Health Plans. Evansville has had the advantage of several national employers who are very active in driving improvement

and efficiency in local health care delivery participating in the Tri-State Business Group on Health. Employers such as Bristol Myers Squibb, Whirlpool and Takeda Pharmaceuticals provide comprehensive health care benefits to their employees and benchmark the costs of these benefits to their other operations. In some cases these employers have pursued direct contracting with local providers to negotiate better rates or applied pressure to providers to participate in a particular health plan network. Welborn HMO has struggled with profitability over the past few years.

Healthcare in Muncie comes from one main provider, Cardinal Health Systems which owns Ball Memorial Hospital. There have been significant provider alliances formed and dismantled over the past few years. Recently a few providers left Cardinal Health Systems to go to American Health Network. While Anthem covers Muncie and Delaware County, historically Ball Memorial has had a difficult relationship with the carrier. Another major network for Delaware County is Indiana Health Network. In an innovative step, Ball State University and the City of Muncie are partnering to rollout an endorsed provider network using physician practice protocols from the American Health Data Institute. Benefit designs will favor endorsed providers that meet quality and practice patterns. Muncie also has the influence of being within an hour of providers on the outer fringes of Indianapolis and many residents choose to travel to Indianapolis for more complicated care.

In Terre Haute, Union and Regional hospitals share the market place and although Union is clearly the dominant hospital by virtue of admissions, Regional Hospital provides necessary access for areas to the south of Terre Haute. From a provider perspective, Associated Physicians and Surgeons have opened specialty centers for ENT and Ophthalmology that directly compete with the hospital based facilities and services. Associated Physicians has also established a significant provider panel attracting many of the premier providers in the community to create a dominant negotiating block. From an employer perspective, the community is losing one of its larger employers, Columbia House, that will create added economic strain in the region. Many employers in this area continue to hear complaints about access and provider networks offered by the more dominant carriers, and as such have looked to more regional networks such as Sagamore to fill the void.

In Lafayette, Arnett Health Care and Greater Lafayette Health Systems dominate health care delivery in the community. Much like Muncie, hospital and physician groups are volatile. Smaller physician groups are beginning to add competition. Two local hospitals merged in the late 90's under the Sister of Saint Francis Health Systems as Greater Lafayette Health Systems. Arnett was to build a new hospital facility but that arrangement fell through and Clarian has committed to the project. There is a strong employer group, the Employers Health Forum, consisting of over 20 local employers. The Employers Health Forum recently sponsored an economic cost study in conjunction with providers and hospitals to uncover costs and inefficiencies in the healthcare market.

Indianapolis, by contrast has a much more competitive health care and employment market; not to mention the powerful influence state government has in the area. Employers, both private and public have come together to share information and ideas around more

efficient health care through coalitions and business forums such as the Indiana Employers Health Quality Alliance, the Indiana Health Care Campaign (IHCC) and the Indiana Private Industry Council. But despite its size and dominance, Indianapolis is not immune from the dynamic of competing provider networks and health plans. Hospital construction is at an all time high, as population concentrations shift to outer communities such as Carmel and Anderson. St. Vincent, St. Francis and Indiana University hospital systems vie for patient loads. Many specialty care facilities have opened focusing on care for high cost conditions such as heart centers and cancer care facilities. More frequently, these centers are filled by patients with private insurance, shifting the additional burden of uninsured or underinsured to more conventional inpatient facilities.

Bloomington's similarity to other Indiana markets is primarily as a community with a single hospital and a single correspondingly strong provider group. Indiana University is the predominant employer. Employees of IU tend to live in Bloomington, versus other universities who draw employees from the outlying communities and counties. Bloomington Hospital is participating in the hospital construction and investment boom, adding new technologies including a third cardiac catheterization lab for patients with heart conditions, and at the Radiation Oncology Center, a linear accelerator with IMRT and IGRT capabilities for intense targeting of tumors. They are also in partnership with the McKesson Corporation to implement new, state-of-the-art, integrated information technology throughout the health system for more coordinated, convenient and high-quality care. All of these expenditures are designed to preserve local patients who may seek this more specialized care in Indianapolis or other major cities. The primary provider group is Internal Medicine Associates. Contrary to some other markets, Bloomington is a health care market where national or statewide networks such as Anthem have been more successful contracting with providers.

These clearly aligned facilities and ardently independent physicians groups can make aggressive contracting of a comprehensive statewide network very difficult. This, in many cases results in health care overhead and delivery inefficiencies.

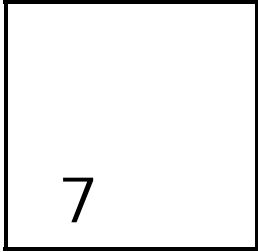
Indiana Employer Characteristics

Although communities with one or two hospital systems and independent physician groups can contribute to health care overhead and inefficiencies, they provide a source of needed jobs and economic revenue. Indeed, Indiana is growing increasingly reliant on health care and its corresponding services (allied health, nursing care, pharmacy and research, etc...) as a significant employer, accounting for upward of 10 percent of Indiana's private employment. Manufacturing jobs (non pharmaceutical and Medical manufacturing) have conversely decreased over the past five years. In the past four years, Indiana has lost roughly 138,000 jobs across all business segments. Many local manufacturing employers have been successful in driving health care initiatives in communities; however their focus is rarely statewide reinforcing localized health care networks. Underinsurance is a growing problem for employed residents of Indiana. While wages and benefits in Indiana's health care industry and corresponding pharmaceutical and medical manufacturing remain higher than national or regional averages; there is a growing insurance gap with smaller manufacturing, service sector and retail segments.

Health Care Provider and Facility Influence

The use of hospital care is a significant factor in Indiana health care costs. Per capita spending for hospital care in Indiana has exceeded national averages for nearly a decade; growing significantly faster than national averages or surrounding states. Although during this time admissions fell, there was significant growth in inpatient days per admission. This is not all together unexplainable given the higher preponderance of chronic and catastrophic conditions in Indiana as discussed earlier. However, corresponding spending for physician and other professional services had historically remained much lower than national averages despite a surge in 1998. Utilization of physician, ambulatory and emergency care dropped during that same time period for the total but increased for age groups 45 – 64 and over age 65. Again this reflects the prevalence of chronic health conditions and comparatively poor health status of this growing segment of Indiana's population. Some have pointed to fewer HMO plans and correspondingly lower HMO enrollment in Indiana as one explanation of lower physician visits. In markets where HMOs historically dominated enrollment, providers and members alike were incented to seek and provide preventive care. Regardless of the reason, benefit strategies emphasizing preventive care, condition management and wellness are vital as Indiana's aging population accesses care in the future. Employers, providers and patients must work in concert to improve health status and manage costs effectively.

Indiana Public Universities



Appendices

Indiana Public Universities

Medical Plans

Medical		Ball State	Indiana State University
Specific Plans <i>(official plan name)</i>			PPO Self-insured plan. Pre-x pays up to \$2500 in first 18 months of coverage.
Population Covered <i>(employee/retiree/student/etc.)</i>	Optional for employees and retirees.		Benefits eligible employees and retirees.
# of Eligible Individuals	Employees 3056		1805 active; 1310 retirees
# of Covered Individuals (by tier)	Employee (Traditional Single 90, Traditional Family 139, PPO Single 933, PPO Family 1313, Retired Under 65: Traditional Single 69, Traditional Family 16, PPO Single 94, PPO Family 48, Retired Over 65, Trad. Single Dental 1346, Trad.Single W/O Dental 111)		1500 active; 1210 retirees
Description of Coverage <i>(overview)</i>	Choices are Traditional Indemnity and PPO. Column to left is members. Total population is approx. 7500. All over 65 retirees put on single membership. Separate deductibles for Medical (Single \$200; Family \$400) and Dental (Single \$50; Family \$100). Dental capped at \$1,000 per year. Medical has out of pocket limit of \$1,000 per year and lifetime max. of \$1.5 million. Coinsurance is 80/20 for medical and dental.		Out-of-network: \$250 individual deductible, \$750 family aggregate; 50/50% co-pay; In-network 80/20% co-pay; out-of-pocket only on surgery, in-patient and anesthesia services.
Plan Year <i>(start and stop period)</i>	July 1 – June 30		January 1 through December 31
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Traditional Plan (Single: \$815.3, Family: \$2116.37). IHN PPO(Single: \$515.35, Family: \$1337.77). Medicare Group With Dental Coverage (\$395.79); Medicare Group Without Dental Coverage (\$358.92)		Employees with a Base Salary of \$23,499 or below:(Employee Share/University Share)[Employee(\$84.00/\$293.00), Employee/Child(ren)(\$152.00/\$554.00), Employee/Spouse or Partner(\$191.00/\$795.00), Employee/Dependents(\$210, \$775.00)]:
University/Participant Premium Contributions <i>(monthly rates or %)</i>	Active population pays 25%. Medicare group pays 21%		
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Self-funded with VEBA Trust		Self Insured
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>	TPA is Key Benefit Administrators in Indianapolis. Phone 317-284-7100.		TPA - Principal Financial Group
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>	General Administration -- \$12.30 Per Employee/Retiree/Cobra Member Per Month, Hospital Precertification -- \$3.25 Per Employee Member Per Month, COBRA Fees -- \$.35 per employee member per month, Health Care Navigator Fees for management of chronically ill -- \$2.65 per employee member per month, Network Fees for use of IHN PPO -- \$6.40 per employee member per month, HIPAA Fees -- \$2.00 per employee member per month		
Other Distinguishing Features			90% of claims paid within 10 days or less with 99% payment accuracy and 98% procedural accuracy. If not met, 1% penalty of monthly medical administration fee for each percentage point short, not to exceed 5% of the fee, will be refunded.

Medical**Indiana University**

Specific Plans <i>(official plan name)</i>	IU PPO Plus	IU PPO \$900 Deductible	M-Plan HMO	Blue Preferred Primary POS
Population Covered <i>(employee/retiree/student/etc.)</i>	Full-time Appointed Employees and Retiree Status < age 65	Full-time Appointed Employees and Retiree Status < age 65	Full-time Appointed Employees	Full-time Appointed Employees
# of Eligible Individuals	16,500	16500	16500	16500
# of Covered Individuals <i>(by tier)</i>	Employees = 1,697; Retirees = 10; COBRA = 54	Employees = 7,837; Retirees = 175; COBRA = 264	Employees = 3,010; COBRA = 35	Employees = 2,766; COBRA = 32
Description of Coverage <i>(overview)</i>	PPO, no deductible & low copays; MH/CD carve out	PPO, high deductible; MH/CD carve out	HMO	POS, with designated primary care MD
Plan Year <i>(start and stop period)</i>	January - December	January - December	January - December	January - December
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Employee = \$458.59 Employee/Children = \$908.38 Employee/Spouse = \$1,112.58 Family = \$1,263.28	Employee = \$282.14 Employee/Children = \$564.77 Employee/Spouse = \$690.42 Family = \$784.08	Employee = \$354.46 Employee/Children = \$667.31 Employee/Spouse = \$816.78 Family = \$927.09	Employee = \$320.03 Employee/Children = \$633.94 Employee/Spouse = \$776.45 Family = \$881.61
University/Participant Premium Contributions <i>(monthly rates or %)</i>	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium Retirees pay COBRA rate	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium. Retirees pay COBRA rate	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Self-funded	Self-funded	Fully insured Rated	Experience Self-funded Experience Rated
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>	Medical TPA = Anthem MH/CD TPA = IU Psy Mgt	Medical TPA = Anthem MH/CD TPA = IU Psy Mgt	HMO = M-Plan	Medical TPA = Anthem Magellan MH/CD =
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>	ASO fee = \$24.50 PEPM (TPA, network access, utilization mgt, CS, etc), IU Psy Mgt capitation = \$ 6.60 pmpm	ASO fee = \$24.50 PEPM (TPA, network access, utilization mgt, CS, etc) IU Psy Mgt capitation = \$ 6.60 pmpm	N/A	ASO and MH/CD fee = \$31.79 PEPM (TPA, network access, utilization mgt, CS, Magellan capitation, etc)
Other Distinguishing Features	Reserves managed by IU. No Stop-loss ins. Receive PBM rebates IU Med Ctr in PPO network Unique MH/CD carve out w/IU Psy Mgt	Reserves managed by IU. No Stop-loss ins. Receive PBM rebates. IU Med Ctr in PPO network. Unique MH/CD carve out w/IU Psy Mgt	IU Med Ctr is network option	Reserves managed by IU. No Stop-loss ins. Receive PBM rebates. IU Med Ctr in PPO network

Medical**Indiana University**

Specific Plans <i>(official plan name)</i>	IU PPO Plus	IU PPO \$900 Deductible	M-Plan HMO	Blue Preferred Primary POS
Population Covered <i>(employee/retiree/student/etc.)</i>	Full-time Appointed Employees and Retiree Status < age 65	Full-time Appointed Employees and Retiree Status < age 65	Full-time Appointed Employees	Full-time Appointed Employees
# of Eligible Individuals	16,500	16500	16500	16500
# of Covered Individuals <i>(by tier)</i>	Employees = 1,697; Retirees = 10; COBRA = 54	Employees = 7,837; Retirees = 175; COBRA = 264	Employees = 3,010; COBRA = 35	Employees = 2,766; COBRA = 32
Description of Coverage <i>(overview)</i>	PPO, no deductible & low copays; MH/CD carve out	PPO, high deductible; MH/CD carve out	HMO	POS, with designated primary care MD
Plan Year <i>(start and stop period)</i>	January - December	January - December	January - December	January - December
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Employee = \$458.59 Employee/Children = \$908.38 Employee/Spouse = \$1,112.58 Family = \$1,263.28	Employee = \$282.14 Employee/Children = \$564.77 Employee/Spouse = \$690.42 Family = \$784.08	Employee = \$354.46 Employee/Children = \$667.31 Employee/Spouse = \$816.78 Family = \$927.09	Employee = \$320.03 Employee/Children = \$633.94 Employee/Spouse = \$776.45 Family = \$881.61
University/Participant Premium Contributions <i>(monthly rates or %)</i>	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium Retirees pay COBRA rate	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium. Retirees pay COBRA rate	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium	IU contribution is the same across all plans and employees pay the difference between what IU pays and the total premium
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Self-funded	Self-funded	Fully insured Rated	Experience Self-funded Experience Rated
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>	Medical TPA = Anthem MH/CD TPA = IU Psy Mgt	Medical TPA = Anthem MH/CD TPA = IU Psy Mgt	HMO = M-Plan	Medical TPA = Anthem Magellan MH/CD =
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>	ASO fee = \$24.50 PEPM (TPA, network access, utilization mgt, CS, etc), IU Psy Mgt capitation = \$ 6.60 pmpm	ASO fee = \$24.50 PEPM (TPA, network access, utilization mgt, CS, etc) IU Psy Mgt capitation = \$ 6.60 pmpm	N/A	ASO and MH/CD fee = \$31.79 PEPM (TPA, network access, utilization mgt, CS, Magellan capitation, etc)
Other Distinguishing Features	Reserves managed by IU. No Stop-loss ins. Receive PBM rebates IU Med Ctr in PPO network Unique MH/CD carve out w/IU Psy Mgt	Reserves managed by IU. No Stop-loss ins. Receive PBM rebates. IU Med Ctr in PPO network. Unique MH/CD carve out w/IU Psy Mgt	IU Med Ctr is network option	Reserves managed by IU. No Stop-loss ins. Receive PBM rebates. IU Med Ctr in PPO network

Medical**Indiana University**

Specific Plans (official plan name)	Exec Physical Exam	Blue Retiree	Student Health Ins. - Voluntary	Student Health Ins - Mandatory	Med School Students - Health	Interns & Residents - Health
Population Covered (employee/retiree/student/etc.)	Sr Administrators	Retiree Status 65 +	Undergrad 6 + credits Grad 2+ credits	Student Academic Appointments Intl Students	Medical School Students - Mandatory	Medical Center Interns - Mandatory
# of Eligible Individuals	15	3000	70000	Total = 6,373 SAA = 3,700 Intl Stud = 2,671	825	984
# of Covered Individuals (by tier)	15	Retirees = 1,775	Students 1,956; Spouse = 14; Children = 16	Students 6,371; Spouse = 173; Children = 138	Students 825; Spouse = 66; Children = 41	Students = 612; Student/Spouse = 300; Family = 72
Description of Coverage (overview)	100% of comprehensive physical exam and screening	Medicare supplement, w/o Rx	PPO	PPO	PPO	HMO
Plan Year (start and stop period)	N/A	January - December	Aug 15 - Aug 14	Aug 15 - Aug 14	Aug 17 - Aug 16	July 1 - June 30
Plan Premiums (monthly rates by tier as appropriate)	n/a, direct contract	Retiree = \$149.77 Retiree/Spouse = \$299.54	Student Only = \$104 Spouse \$479 Children \$479 Family = total of above	Student Only = \$125 Spouse \$298 Children \$227 Family = total of above	Annual Rates Student Only = \$2,928 Spouse \$3,768 Children \$2,001 Family = total of above	Student = \$246.26 Student/Spouse = \$529.46 Family = \$724.04
University/Participant Premium Contributions (monthly rates or %)	IU pays 100%	Retiree pays 100%	Student pays 100%	For SAAs, IU pays 100% For Intl and all spouses and children, student pays 100%	Student pays 100%	IU/Hosp pays 100% of student coverage
Funding Arrangements (insured, self-funded, stop-loss, etc.)	Self-funded	Fully insured Experience Rated	Fully insured Experience Rated	Fully insured Experience Rated	Fully insured Experience Rated	Fully insured Experience Rated
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	Direct provider contract w/NIFS and IU Medical Ctr.	Underwriter = Anthem	Underwriter = Aetna Life PPO = Aetna TPA = Chickering	Underwriter = Aetna Life PPO = Aetna TPA = Chickering	Underwriter = Aetna Life PPO = Aetna TPA = Chickering	HMO = M-Plan
Itemized underwriting and/or admin. fees (monthly rates)	N/A	N/A	N/A	N/A	N/A	N/A
Other Distinguishing Features	Direct contract with NIFS & IU Med Ctr	Premiums are based on IU Retiree experience. Retiree "continuation" coverage	IU Med Ctr is network option. Integrated with Stud. Health Ctr	IU Med Ctr is network option Integrated with Stud. Health Ctr	IU Med Ctr is network option	IU Med Ctr is network option

Medical**Ivy Tech**

Specific Plans (official plan name)	Advantage Health Solutions HMO	Anthem Blue Access PPO	Anthem Traditional Indemnity Plan	Arnett HMO
Population Covered (employee/retiree/student/etc.)	Employees (60% FTE or more), retirees, LTD participants in Regions 2, 4, 5, 6, 8, CO	Employees (60% FTE or more), retirees, LTD participants in Regions 1, 7, 11 (Madison Campus only)	Employees (60% FTE or more), retirees, LTD participants in Region 9	Employees (60% FTE or more), retirees, LTD participants in Region 4
# of Eligible Individuals	1205	456	78	194
# of Covered Individuals (by tier)	Actives = 247 75 Plan retiree=4 Retirees<65 yrs=1, Retirees >65 =19	Actives =403 75 Plan retirees=17 Retirees>65 yrs old =6	Actives=62	Actives = 169 75 Plan retirees = 2 LTD participant/spouse =1 Retiree/spouse >65 yrs =1
Description of Coverage (overview)	No out-of-network benefits, \$500 IP, \$200 OP, \$20 PCP, \$25 SCP, \$10/\$20/\$50 Rx, \$2MM Lifetime max	\$300/\$600 in-network deductible, \$600/\$1200 out-of-network ded., 90% in-network after ded., 70% out-of-network after ded., \$1000/\$2000 in-network OOP max, \$3000/\$4000 out-of-network OOP max, \$12/\$24/\$0 Rx, \$5 MM lifetime max	\$250/\$500 ded., 80% after ded. \$750/\$1500 OOP max, \$12/\$24/\$40 Rx, \$5 MM lifetime max	No out-of-network benefits, \$500 IP, \$500 OP, \$20 PCP, \$20 SCP, \$10/\$25/\$50 Rx, No lifetime max
Plan Year (start and stop period)	July 1 to June 30	July 1 to June 30	July 1 to June 30	July 1 to June 30
Plan Premiums (monthly rates by tier as appropriate)	Employee only (412.21), Employee/child(ren)(947.5), Employee/spouse(990.64), Family(1609), 75 Plan retiree(412.21), 75 Plan retiree/child(ren)(947.5), 75 Plan retiree/spouse(990.64), retiree only<65 yrs old (412.21), Retiree only>65 yrs old (407.41), retiree/spouse >65 yrs()	Employee only (471.15), Employee/child(ren)(904.61), Employee/spouse(1027.09), Family(1521.82), 75 Plan retiree(471.15), 75 Plan retiree/spouse(107.09), Retiree only>65 yrs old (468.76), retiree/spouse >65 yrs(1024.71)	Employee only (471.15), Employee/child(ren)(904.61), Employee/spouse(1027.00), Family(1521.82)	Employee only (289.31), Employee/child(ren)(629.25), Employee/spouse(665.44), 75 Plan retiree/spouse(665.44), LTD participant/spouse(665.44), retiree/spouse >65 yrs(266)
University/Participant Premium Contributions	80% College/20% Employee	80% College/20% Employee	80% College/20% Employee	80% College/20% Employee
Funding Arrangements	Fully-insured	Fully-insured	Fully-insured	Fully-insured
All third-party contracts, with contractual agreements				
Itemized underwriting and/or admin. fees				
Other Distinguishing Features	EE monthly subsidy from Insurance Stabilization Reserve Fund: Employee only (4.02), Employee/child(ren)(9.26), Employee/spouse(9.68), Family(15.73), 75 Plan retiree(4.02), 75 Plan retiree/child(ren)(9.26), 75 Plan retiree/spouse(9.68), retiree only<65 yrs old (), Retiree only>65 yrs old (), retiree/spouse >65 yrs()	EE monthly subsidy from Insurance Stabilization Reserve Fund: Employee only (1.13), Employee/child(ren)(2.11), Employee/spouse(2.73), Family(4.03), 75 Plan retiree(1.13), 75 Plan retiree/spouse(2.73), Retiree only>65 yrs old (8.95), retiree/spouse >65 yrs()	EE monthly subsidy from Insurance Stabilization Reserve Fund: Employee only (1.13), Employee/child(ren)(2.11), Employee/spouse(2.73), Family(4.03)	EE monthly subsidy from Insurance Stabilization Reserve Fund: Employee only (0.88), Employee/child(ren)(1.90), Employee/spouse(2.02), 75 Plan retiree/spouse(2.02), LTD participant/spouse(10.56), retiree/spouse >65 yrs()

Medical**Ivy Tech**

Specific Plans <i>(official plan name)</i>	Humana HMO	M-Plan HMO	SIHO HMO
Population Covered <i>(employee/retiree/student/etc.)</i>	Employees (60% FTE or more), retirees, LTD participants in Region 11 (Lawrenceburg Campus) and 13	Employees (60% FTE or more) /retirees /LTD participants in Regions 2, 3, 5, 6, 8, CO	Employees (60% FTE or more) /retirees /LTD participants in Regions 10 and 14
# of Eligible Individuals	133	1,215	214
# of Covered Individuals <i>(by tier)</i>	98-Employee only (30), Employee/child(ren)(14), Employee/spouse(18), Family(29), 75 Plan retiree(5)	770-Employee only(361), Employee/child(ren)(72), Employee/spouse(142), Family(178), 75-Plan Retiree only(6), 75-Plan Retiree/spouse(4), LTD participant(6), Retiree only <65 yrs.(1)	192-Employee only(95), Employee/child(ren)(18), Employee/spouse(33), Family(42), 75-Plan Retiree/spouse(2), LTD participant(1), Retiree only >65 yrs.(1)
Description of Coverage <i>(overview)</i>	No out-of-network benefits, \$250 IP, \$500 OP, \$15 PCP, \$15 SCP, \$10/\$25/\$45 Rx, No lifetime max	No out-of-network benefits, \$500 IP, \$200 OP, \$15 PCP, \$20 SCP, \$10/\$20/\$50 Rx, \$2 Million lifetime max	No out-of-network benefits, \$500 IP, \$200 OP, \$20 PCP, \$30 SCP, \$10/\$20/\$50 Rx, \$2 Million lifetime max
Plan Year <i>(start and stop period)</i>	July 1 to June 30	July 1 - June 30 each year	July 1 - June 30 each year
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Employee only (376.25), Employee/child(ren)(715.01), Employee/spouse(754.46), Family(1208.6), 75 Plan retiree(376.25)	Employee only(393.57), Employee/child(ren)(904.63), Employee/spouse(945.78), Family(1536.11), 75-Plan Retiree only(393.57), 75-Plan Retiree/spouse(945.78), LTD participant(393.57), Retiree only <65 yrs.(393.57)	Employee only(380.42), Employee/child(ren)(704.48), Employee/spouse(833.6), Family(1149.52), 75-Plan Retiree/spouse(833.6), LTD participant(380.42), Retiree only >65 yrs.(382.2)
University/Participant Premium Contributions <i>(monthly rates or %)</i>	80% College/20% Employee	80% College/20% Employee	80% College/20% Employee
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Fully-insured	Fully-insured	Fully-insured
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>			
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>			
Other Distinguishing Features	No premium subsidy	No premium subsidy	EE monthly premium subsidy from Insurance Stabilization Reserve Fund: Employee only(5.73), Employee/child(ren)(10.74), Employee/spouse(12.64), Family(17.43), 75-Plan Retiree/spouse(12.64), LTD participant(13.78), Retiree only >65 yrs.(13.5)

Medical

Ivy Tech

Specific Plans <i>(official plan name)</i>	Welborn Health Plans HMO	POMCO Student Health Plan	Acordia International Student Health Plan
Population Covered <i>(employee/retiree/student/etc.)</i>	Employees (60% FTE or more) /retirees /LTD participants in Region 12	Students	FT International Students (F-1 or M-1 visa status)
# of Eligible Individuals	154	22,492 FT/ 42,725 PT	73
# of Covered Individuals <i>(by tier)</i>	127-Employee only(42), Employee/child(ren)(12), Employee/spouse(32), Family(36), 75-Plan Retiree only(2), 75-Plan Retiree/spouse(1), Retiree only >65 yrs.(1), Retiree/spouse >65 yrs.(1)	37-Student only(29 - Basic Plan), (8 - Catastrophic Plan), Spouse(0), Children(0)	73-Student only(68), Student/spouse(0), Student/children(2), Family(1), Medevac/Repatriation only(2),
Description of Coverage <i>(overview)</i>	No out-of-network benefits, \$500 IP, \$100 OP, \$20 PCP, \$30 SCP, \$10/\$20/\$50 Rx, \$2 Million lifetime max		
Plan Year <i>(start and stop period)</i>	July 1 - June 30 each year	August 21 - August 20 each year	August 15 - August 14 each year
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Employee only(326.23), Employee/child(ren)(685.08), Employee/spouse(750.32), Family(1076.55), 75-Plan Retiree only(326.23), 75-Plan Retiree/spouse(750.32), Retiree only >65 yrs.(272.86), Retiree/spouse >65 yrs.(545.72)	Student only-Basic Plan (26.84), Student only-Catastrophic Plan (25.67), Spouse(\$92.67 basic/\$69.67 catastrophic), Children(\$54.84 basic/\$35.75 catastrophic)	Student only(62.5), Student/spouse(226.5), Student/children(174.5), Family(338.5), Medevac/Repatriation only(\$50.00 per year),
University/Participant Premium Contributions <i>(monthly rates or %)</i>	80% College/20% Employee	100% student	100% student
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Fully-insured	Fully-insured	Fully-insured
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>			
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>			
Other Distinguishing Features	No premium subsidy		

Medical**Purdue University**

Specific Plans (official plan name)	Arnett Managed Care	Incentive PPO	Purdue 500	M-Plan HMO
Population Covered (employee/retiree/student/etc.)	Employee; Retiree	Employee; Retiree	Employee; Retiree	Employee; Retiree
# of Eligible Individuals	11408	11537	11537	
# of Covered Individuals (by tier)	4199	4951	1214	81
Description of Coverage (overview)	Deductible (Individual/Family) [Network (\$0/\$0), Non-network (\$500/\$1,000)], Primary care office visits [Network (\$15 co-payment), Non-network (30 %)], Other office visits [Network (\$30 co-payment), Non-network (30 %)], Urgent care [Network (\$40 co-payment]	Deductible per calendar year (Individual [Network \$400, Non-network \$800], Family [Network \$600, Non-network \$1600]), Out-of-Pocket Maximum per calendar year (Individual [Network \$1800, Non-network \$3600], Family [Network \$3600, Non-network \$7200]), Prima	Deductible per calendar year (Individual [Network \$400, Non-network \$800], Family [Network \$600, Non-network \$1600]), Out-of-Pocket Maximum per calendar year (Individual [Network \$1800, Non-network \$3600], Family [Network \$3600, Non-network \$7200]), Prima	In network only: Deductible (Individual/Family): \$0/\$0; Primary care office visits: \$15 co-payment; Other office visits: \$40 co-payment; Out-of-pocket maximum (Individual/Family): None; Emergency room: \$200 co-payment.
Plan Year (start and stop period)	Jan 1, 2005 - Dec 31, 2005	Jan 1, 2005 - Dec 31, 2006	Jan 1, 2005 - Dec 31, 2005	Jan 1, 2005 - Dec 31, 2005
Plan Premiums (monthly rates by tier as appropriate)	Employee Only \$366; Employee & Children \$607; Employee & Spouse \$878; Family \$1068	Employee Only \$351; Employee & Children \$579; Employee & Spouse \$842; Family \$1018	Employee Only \$400; Employee & Children \$660; Employee & Spouse \$960; Family \$1161	Employee Only \$350; Employee & Children \$578; Employee & Spouse \$842; Family \$1017
University/Participant Premium Contributions (monthly rates or %)	University pays \$335 for Employee Only, \$549 for Employee & Children, \$798 for Employee & Spouse, \$965 for Family for employees with a Budgeted Annual Salary Less Than \$38,000. University pays \$309 for Employee Only, \$509 for Employee & Children, \$742 for Employee & Spouse and \$896 for Family for employees with a budgeted annual Salary of more than \$38,000	University pays \$335 for Employee Only, \$549 for Employee & Children, \$798 for Employee & Spouse, \$965 for Family for employees with a Budgeted Annual Salary Less Than \$38,000. University pays \$309 for Employee Only, \$509 for Employee & Children, \$742 for Employee & Spouse and \$896 for Family for employees with a budgeted annual Salary of more than \$38,000	University pays \$335 for Employee Only, \$549 for Employee & Children, \$798 for Employee & Spouse, \$965 for Family for employees with a Budgeted Annual Salary Less Than \$38,000. University pays \$309 for Employee Only, \$509 for Employee & Children, \$742 for Employee & Spouse and \$896 for Family for employees with a budgeted annual Salary of more than \$38,000	University pays \$335 for Employee Only, \$549 for Employee & Children, \$798 for Employee & Spouse, \$965 for Family for employees with a Budgeted Annual Salary Less Than \$38,000. University pays \$309 for Employee Only, \$509 for Employee & Children, \$742 for Employee & Spouse and \$896 for Family for employees with a budgeted annual Salary of more than \$38,000
Funding Arrangements (insured, self-funded, stop-loss, etc.)	Insured	Self funded	Self funded	Insured
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	Arnett Health Care	Wausau Benefits(TPA); Anthem Rx (PBM); ICM (case management)	Wausau Benefits(TPA); Anthem Rx (PBM); ICM (case management)	M-Plan HMO
Itemized underwriting and/or admin. fees (monthly rates)	None	Wausau Benefits: \$500/month custodial banking; \$11.41 PEPM Administration; \$3.95 PEPM Network Access. Anthem Rx: \$.62/script administration; \$2.20/claim drug rebate. ICM: \$3.20 PEPM	Wausau Benefits: \$500/month custodial banking; \$11.41 PEPM Administration; \$3.95 PEPM Network Access. Anthem Rx: \$.62/script administration; \$2.20/claim drug rebate. ICM: \$3.20 PEPM	None

Medical		Purdue University		
Specific Plans <i>(official plan name)</i>	Arnett Managed Care	Incentive PPO	Purdue 500	M-Plan HMO
Other Distinguishing Features	Depending on the job class of the employee, the individual may elect coverage upon hire.	Depending on the job class of the employee, the individual may elect coverage upon hire.	Depending on the job class of the employee, the individual may elect coverage upon hire.	Depending on the job class of the employee, the individual may elect coverage upon hire.

Medical	Purdue University		University of Southern Indiana		
Specific Plans (official plan name)	Graduate Staff Medical Insurance	Student Medical Insurance	Anthem Blue Access 100	Anthem Blue Access 500	Welborn HMO
Population Covered (employee/retiree/student/etc.)	Graduate Staff Employees	Enrolled Full time Student	Employees & Retirees		
# of Eligible Individuals	3921	38000	1027		
# of Covered Individuals (by tier)	3696		Actives= 537 Retiree >65=108	Actives= 112 Retiree >65=2	Actives= 127 Retiree > 65=13
Description of Coverage (overview)	\$1MM Maximum lifetime benefit paid; Deductible \$350 in-network, \$700 out-of-network; Physicians Visits 80% of preferred allowance in Network and 60% of allowable charges out-of-network.	\$50K Maximum lifetime benefit paid; Deductible \$350 in-network, \$700 out-of-network; Physicians Visits 80% of preferred allowance in Network and 60% of allowable charges out-of-network.	PPO coverage 90%/10% network-70%/30 non-network \$100/200 deductible \$12/24/40 Rx \$1000/2000 max out of pocket	PPO coverage 90%/10% network-70%/30 non-network \$100/200 deductible \$12/24/40 Rx \$1000/2000 max out of pocket	PPO coverage 90%/10% network-70%/30 non-network \$100/200 deductible \$12/24/40 Rx \$1000/2000 max out of pocket
Plan Year (start and stop period)	Aug 4, 2005 - Aug 5, 2006	Aug 4, 2005 - Aug 5, 2006	January 1, 2006 - December 31, 2006		
Plan Premiums (monthly rates by tier as appropriate)	Total Rates were not given. Graduate Staff Medical Insurance Rates could be the same as the Student Medical Insurance	\$1435 for Student only, \$6995 for Student and Spouse, \$8822 for Student, Spouse, and Dependent Child, \$9893 for family, \$3262 for Student and Dependent child, \$4333 for student and all dependent children	Single(369.44), Employee + Child(704.46), Employee + Spouse(933.24), Family(1027.7), Retiree (over 65)(238.2)	Single(317.38), Employee + Child(607.2), Employee + Spouse(804.98), Family(886.66), Retiree (over 65)(275.39)	Single(318.56), Employee + Child(615.12), Employee + Spouse(683.1), Family(958.28), Retiree (over 65)(276.9)
University/Participant Premium Contributions (monthly rates or %)	Student pays \$274 for Student only, \$1841.00 for Student and Spouse, \$2389 for Student, Spouse, and Dependent Child, \$2705 for family, \$822 for Student and Dependent child, \$1138 for student and all dependent children	Student pays 100%			
Funding Arrangements (insured, self-funded, stop-loss, etc.)	Insured	Insured	Cost Plus Funding Arrangement	Cost Plus Funding Arrangement	Fully insured
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	Student Resources and Mega Life and Health Insurance Company	Student Resources and Mega Life and Health Insurance Company			
Itemized underwriting and/or admin. fees (monthly rates)	None	None			
Other Distinguishing Features					

Medical		Vincennes University	
Specific Plans (official plan name)		Anthem Blue Access PPO	
Population Covered (employee/retiree/student/etc.)	Full-Time Active	Retirees	COBRA
# of Eligible Individuals	804	244	
# of Covered Individuals (by tier)	712-Single(288), Family(424)	231-Retirees' Single < 65(39), Retirees' Family < 65(28), Retirees' Single > 65(103), Retirees' Family > 65(61),	8
Description of Coverage (overview)	Deductibles (Single/Family) [Network: \$350/ \$700, Non Network: \$700/\$1400], Out of Pocket [Network: \$1500/ \$3000, Non Network: 4500/\$9000], Office Services and Preventive Care [\$20 copay Network/40% non network], Inpatient and Outpatient Facility Services	Deductibles (Single/Family) [Network: \$350/ \$700, Non Network: \$700/\$1400], Out of Pocket [Network: \$1500/ \$3000, Non Network: 4500/\$9000], Office Services and Preventive Care [\$20 copay Network/40% non network], Inpatient and Outpatient Facility Services	Deductibles (Single/Family) [Network: \$350/ \$700, Non Network: \$700/\$1400], Out of Pocket [Network: \$1500/ \$3000, Non Network: 4500/\$9000], Office Services and Preventive Care [\$20 copay Network/40% non network], Inpatient and Outpatient Facility Services
Plan Year (start and stop period)	January to December	January to December	January to December
Plan Premiums (monthly rates by tier as appropriate)	Single(400.86*), Family(923.59)	Retirees' Single < 65(400.86), Retirees' Family < 65(923.59), Retirees' Single > 65(594.1), Retirees' Family > 65(1155.51),	\$408.87/\$942.09
University/Participant Premium Contributions (monthly rates or %)	Single(76%/24%), Family(76%/24%)	Retirees' Single < 65(76%/24%), Retirees' Family < 65(76%/24%), Retirees' Single > 65(76%/24%), Retirees' Family > 65(76%/24%),	0/100%
Funding Arrangements (insured, self-funded, stop-loss, etc.)			
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	Anthem	Anthem	Anthem
Itemized underwriting and/or admin. fees (monthly rates)	ASO Fee = \$34.45 PEPM; Admin Fee: \$50/month base fee + \$7.50/month per participant + \$16.50/each election packet	ASO Fee = \$34.45 PEPM; Admin Fee: \$50/month base fee + \$7.50/month per participant + \$16.50/each election packet	ASO Fee = \$34.45 PEPM; Admin Fee: \$50/month base fee + \$7.50/month per participant + \$16.50/each election packet
Other Distinguishing Features	ING Reinsurance Carrier limit= \$275,000	ING Reinsurance Carrier limit= \$275,000	ING Reinsurance Carrier limit= \$275,000

Indiana Public Universities

Dental Plans

DENTAL		Ball State	Indiana State University	Indiana University	
Specific Plans <i>(official plan name)</i>		Delta Dental	IU Dental Plan	Interns & Residents Dental Plan PPO	Interns & Residents Dental Plan HMO
Population Covered <i>(employee/retiree/student/etc.)</i>	Dental is part of medical for employees and retirees under 65. Dental is optional for retirees over 65	Benefits eligible employees and retirees.	Full-time Appointed Employees	Medical Center Interns	Medical Center Interns
# of Eligible Individuals	Employees 3056	1805 active; 1310 retirees	16500	Students = 984	Students = 984
# of Covered Individuals (by tier)	Actives=2475 Retirees= 1573	1500 active; 1210 retirees	Employees = 14,950; COBRA = 347	Students = 268; Student/Spouse = 168; Family = 152	Students = 179; Student/Spouse = 108; Family = 90
Description of Coverage <i>(overview)</i>	Dental Deductible: Single \$50; Family \$100. Dental annual maximum is \$1,000 per year. Coinsurance is 80/20 for medical and dental.	Schedule of payment ranging from 100% for in-network preventive to 50% for major restorative. No deductible in-network, \$50 deductible out of network. \$1200 max per calendar year. \$1200 lifetime max for orthodontia treatment.	Passive PPO	PPO	HMO
Plan Year <i>(start and stop period)</i>	July 1 – June 30	January 1 through December 31	January - December	July 1 - June 30	July 1 - June 30
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Dental premiums combined with medical (see Medical section)		Employee = \$20.85; Employee/Children = \$37.55; Employee/Spouse = \$48.98; Family = \$71.44	Student = \$17.77; Student/Spouse = \$34.12 Family = \$56.28	Student = \$15.90; Student/Spouse = 26.90; Family = \$43.69
University/Participant Premium Contributions <i>(monthly rates or %)</i>	Active population pays 25%. Medicare group pays 21%	Combined Medical, Dental & Prescription Contributions	Employees pay the difference between what IU pays and the total premium	IU/Hosp pays 100% of student coverage	IU/Hosp pays 100% of student coverage
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Self-funded with VEBA Trust		Self-funded	Fully insured Experience Rated	Fully insured Experience Rated
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>	TPA is Key Benefit Administrators in Indianapolis. Phone 317-284-7100.	Delta Dental of Indiana	PPO = CIGNA TPA = CIGNA	PPO = CIGNA	HMO = CIGNA
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>	General Administration -- \$12.30 Per Employee/Retiree/Cobra Member Per Month, which is a combined medical and dental administrative fee		ASO fee = \$2.61 PEPM (TPA, network access, utilization mgt, CS, etc)	N/A	N/A
Other Distinguishing Features			Limited PPO dentist in some areas		

DENTAL	Ivy Tech			Purdue University		University of Southern Indiana	Vincennes University
Specific Plans (official plan name)	Delta Dental PPO	CompDent HMO	Traditional Group Plan	DeltaPreferred (High Plan)	DeltaPreferred (Basic Plan)		
Population Covered (employee/retiree/student/etc.)	Employees)/retirees/LTD participants in all Regions	Employees /retirees LTD & COBRA Regions 1, 3, 8, 14, CO		Employees, Retirees, and Graduate Staff			Anthem Blue Access PPO
# of Eligible Individuals	2444	1,058		18958		1027	FT Employees and retirees up to age 65
# of Covered Individuals (by tier)	1939			3800		928	804actives, 67 retirees
Description of Coverage (overview)	\$50/\$150 ded., 80% in-network after ded., 80% of U&C out-of-network after ded., \$1500 pp max plan benefits, 50% ortho to age 19	No out-of-network benefits, no deductible, no plan max, \$5 co-pay for OV, no charge for diag and preventive after OV co-pay, pre-determined co-pay for all other eligible services, ortho covered for children and adults	Diagnostic Services 100%. Orthodontics (to age 19) 50%. Annual Maximum \$1,000. Deductible \$50 per person per calendar year.	Diagnostic Services [In-Network 100%, Out-of-Network 0%], Orthodontics (to age 19) 0%, Annual Maximum \$1000, Deductible \$25 per person per calendar year limited to a maximum deductible of \$75 per family per calendar year.	Diagnostic Services [In-Network 100%, Out-of-Network 0%], Orthodontics (to age 19) 50%, Annual Maximum \$1000, Deductible None	1 exam every 6 months free, 50% all other benefits, \$1,200 annual maximum	All participants of medical plan to age 65: \$50.00 deductible/\$750 Maximum per year No Dental coverage after age 65
Plan Year (start and stop period)	July 1 - June 30 each year	July 1 - June 30 each year		Jan 1, 2005 - Dec 31, 2005		January to December	
Plan Premiums (monthly rates by tier as appropriate)	EE=\$ 28.54, EE/ch(ren)=\$ 54.47, EE/sp= \$ 56.95, Family = \$93.89, 75-Plan Retiree & LTD same as active	EE= \$13.34, EE/chren) = \$22.78, EE/sp= \$24.56, Family = \$36.72	EE = \$18.42, EE/ sp =\$35.83, EE/ch(ren) =\$46.00, Family =\$73.25	EE = \$17.42, EE/ sp =\$34.08, EE /ch(ren) =\$33.33, Family =\$55.58	EE = \$11.67, EE /sp= \$22.67, EE / ch(ren)= \$25.75, Family= \$41.75		Single= \$7.01, Family=\$19.61,
University/Participant Premium Contributions (monthly rates or %)	80% College/20% Employee	80% College/20% Employee	100% paid by participant	Single= \$7.01, Family=\$19.61,		100% paid by participant	76% ER / 24% EE
Funding Arrangements (insured, self-funded, stop-loss, etc.)	Fully-insured	Fully-insured	Insured	Single(76%/24%), Family(76%/24%),	Fully insured	Fully-Insured	Self-funded
All third-party contracts, with contractual agreements	Delta Dental	CompBenefits DHMO		Delta Dental and Future Planning Associates		Health Resources, Inc. (HRI)	Anthem
Itemized underwriting and/or admin. fees (monthly rates)				None			ASO Fee =\$2.89 PEPM (2006)

Indiana Public Universities

Vision Plans

Indiana Public Universities

VISION	Ball State	Indiana State University	Indiana University	Ivy Tech	Purdue University	University of Southern Indiana	Vincennes University
Specific Plans (official plan name)	No Stand-alone vision plan	Voluntary Vision Coverage, Spectera	No stand-alone vision plan	No stand-alone vision plan	Vision Service Plan	Vision Plan	No stand-alone Vision Plan.
Population Covered (employee/retiree/student/etc.)		Full time benefit eligible employees			Employees		
# of Eligible Individuals		1805 active			11715		
# of Covered Individuals (by tier)		500			11715		
Description of Coverage (overview)	Routine vision exam covered by health plan for diabetic diagnosis only.	Allows one exam and one set of lenses each year and one frame every 2 years.	Most medical plans cover "eye care" and IU School of Optometry provides discounts for "eye wear")	Basic annual vision exam covered by health plans	Eye examination once in 12 months. Lenses, if needed, once in 12 months. Frames, if needed, once in 24 months	1 exam every 12 months \$10 co-pay. 1 set of lenses free every 12 months. 1 set of frames free every 24 months. Lasik discounts	Each member may have a routine and annual diabetic eye exam per year at co-payment cost. This coverage is included in the PPO Plan
Plan Year (start and stop period)		April 1 through March 31			Jan 1, 2005 - Dec 31, 2005		
Plan Premiums (monthly rates by tier as appropriate)					\$1.20 PEPM	Single \$7.7, Employee + Child \$15.2, Employee + Spouse \$14.5, Family \$22.85	
University/Participant Premium Contributions (monthly rates or %)		100% paid by employee			100% paid by University		
Funding Arrangements (insured, self-funded, stop-loss, etc.)		Insured			Insured	Insured	
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)		Spectera			Vision Service Plan	Spectera	
Itemized underwriting and/or admin. fees (monthly rates)		None			None		
Other Distinguishing Features							

Indiana Public Universities

Life Insurance

Life Insurance	Ball State	Indiana State University	Indiana University			
Specific Plans <i>(official plan name)</i>		Group Term Life Insurance Indiana State University	Basic Life	Retiree Life	Executive Life	Interns & Residents Basic Life
Population Covered <i>(employee/retiree/student/etc.)</i>	Mandatory for employees; Optional for retirees	Benefits eligible employees and retirees.	Full-time Appointed Employees	Individuals with IU Retiree Status; based on age and IU service	Sr. Administrators	Medical Center Interns
# of Eligible Individuals	Employees 3056	1805 active; 1310 retiree	16500	3450	15	984
# of Covered Individuals <i>(by tier)</i>	Employees 3056; Retired 974	same	16500	3450	15	984
Description of Coverage <i>(overview)</i>	Coverage based on salary amount with a maximum of \$75,000. Retiree benefit is 50% of employee benefit.	Coverage is 2 and 1/2 times appointment salary rounded up to the next whole thousand with a max coverage of \$100,000	Term ins.: 2 X Base Salary, up to \$50,000, w/up to \$50,000 AD&D; Term ins.: \$3,000 for spouse, and \$1,000 each child	Term ins: \$6,000	Term ins: \$200,000	Term ins = \$20,000 AD&D ins = \$20,000
Plan Year <i>(start and stop period)</i>	Fiscal Year July 1 to June 30	July 1 through June 30	January - December	January - December	January - December	July 1 - June 30
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	Premium Rates effective July 1, 2005 to June 30, 2006 are \$.28 per \$1,000 for life and \$.02 per \$1,000 for AD+D.	Monthly rate: Volume/1000*.46	N/A	N/A	N/A	N/A
University/Participant Premium Contributions <i>(monthly rates or %)</i>	75% ER/25% EE	100% University Paid	IU pays 100%	IU pays 100%	IU pays 100%	IU/Hosp pays 100% of coverage

Life Insurance	Ball State	Indiana State University	Indiana University			
Funding Arrangements (<i>insured, self-funded, stop-loss, etc.</i>)	Self funded with employee claims paid from premium; retiree claims paid from continuance fund held by CIGNA	Fully-insured,	Self-funded term ins; AD&D is insured	Self-funded, with cap on monthly and rolling 12 months liability	Self-funded, with cap on monthly and rolling 12 months liability	Fully insured
All third-party contracts, with contractual agreements (<i>underwriting, network access, TPA, etc.</i>)	Contract with CIGNA to administer benefit	Cigna Insurance Co.	TPA = The Standard AD&D underwriter = The Standard	TPA = The Standard	TPA = The Standard	Underwriter = CIGNA
Itemized underwriting and/or admin. fees (<i>monthly rates</i>)	\$.05 for administration		Underwriting/TPA Life = \$.000027 Underwriting AD&D = \$.000025	Underwriting/TPA Life = \$.000027	Underwriting/TPA Life = \$.000027	Underwriter Life = \$.055/\$1,000 AD&D = \$.02/\$1,000
Other Distinguishing Features			Reserves managed by IU	Reserves managed by IU	Reserves managed by IU	

Life Insurance	Ivy Tech	Purdue University	University of Southern Indiana	Vincennes University
Specific Plans (official plan name)	AUL/OneAmerica Basic Life Insurance	Life Insurance Basic & Supplemental + Dependent	Prudential	Basic Life
Population Covered (employee/retiree/student/etc.)	Employees (60% FTE or more)	Employee	Employees & Retirees	Basic Plan
# of Eligible Individuals	2,444	11715	Employees 867; Retirees 111	FT Employees 804; Retirees 244
# of Covered Individuals (by tier)	2,444	11715	Employees 867; Retirees 111	FT Employees 804; Retirees 244
Description of Coverage (overview)	Coverage equals 1x annual salary, rounded to next higher thousand, includes AD&D, maximum of \$150,000	Coverage equal 1x, 2x, or 3x salary for participants under age 55. For ages 55- 64, coverage equals 1x, 2x, or 2.5x salary. For ages 65-69, coverage equals 1x or 1.25x salary. For ages 70 and above, coverage equals 1x salary.	1.5 or 2 times annual salary for employees; \$5000-\$20000 for retirees	Term Life Insurance - up to amount of 1 x salary rounded up to nearest thousand with AD&D benefit. The Basic plan is 1x salary with maximum coverage of \$150,000. Coverage is reduced by 30 % at age 65 and to \$10,000 at age 70.
Plan Year (start and stop period)	July 1 - June 30 each year	Jan 1, 2005 - Dec 31, 2005	July 1, 2005 - June 30, 2006	January to December
Plan Premiums (monthly rates by tier as appropriate)	.18/.02 per \$1,000 of coverage	\$.215 per \$1,000 of coverage per month for term life; \$.70 per enrollee per month for Dependent Life Insurance; \$.02 per \$1,000 of coverage per month for AD&D.	21 cents and 2 cents for AD &D	26.5 cents per month, per thousand
University/Participant Premium Contributions (monthly rates or %)	100% College	Term Life: University 100% to 1X salary & Employee 50% supplemental. Dependent Life: Employee 100% = \$18 per year; AD&D Purdue pays 100% . For term life contribution rates see "JPS - Purdue University Detailed Benefit Information.doc" under Term Life Insurance	Revised Plan (1.5 times) paid by the University Original Plan (2 times) shared payment by employee and University. Max on both plans is \$75,000.	100% University Paid
Funding Arrangements (insured, self-funded, stop-loss, etc.)	Fully-insured	Fully-insured	Fully-insured	Fully-insured
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	AUL/OneAmerica	Prudential	Prudential	AIG Relistar
Itemized underwriting and/or admin. fees (monthly rates)		None		

Short Term Disability (STD)/Sick Pay

Indiana Public Universities

STD	Ball State	Indiana State University	Indiana University	Ivy Tech	Purdue University	University of Southern Indiana	Vincennes University
Specific Plans (official plan name)	STD for union employees, Sick pay for non-union	No STD, Sick Pay only	No STD, IU has very generous paid time-off plans	No STD, Sick Pay only	STD and sick pay for	No STD, Sick Pay only	No STD, Sick pay only
Population Covered (employee/retiree/student/etc.)	Union= 500				STD: Clerical Employees		
# of Eligible Individuals	Union = 500						
# of Covered Individuals (by tier)					4215		
Description of Coverage (overview)	Sick pay for non-union employee accrual based on service up to 90 days	Variety of sick and paid time off arrangements across all universities	Variety of sick and paid time off arrangements across all universities	Variety of sick and paid time off arrangements across all universities	Pays a benefit equal to 65% of the budgeted salary for the days or weeks the employee remains disabled. STD benefits cover any illness or injury for which you would otherwise be paid sick leave, including maternity.	Variety of sick and paid time off arrangements across all universities	Variety of sick and paid time off arrangements across all universities
Plan Year (start and stop period)	Fiscal Year July 1 to June 30				Jan 1, 2005 - Dec 31, 2005		
Plan Premiums (monthly rates by tier as appropriate)	Premium Rates effective July 22, 2005 to June 30, 2006 is \$2.26 per member per month for administrative services				\$.0062 x budgeted annual salary		
University/Participant Premium Contributions (monthly rates or %)	Employer Paid	Employer Paid	Employer Paid	Employer Paid	Employee pays 100%	Employer Paid	Employer Paid
Funding Arrangements (insured, self-funded, stop-loss, etc.)	Self Insured	Self Insured	Self Insured	Self Insured	Self insured	Self Insured	Self Insured
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	CIGNA for STD Plan				Cigna		
Itemized underwriting and/or admin. fees (monthly rates)							
Other Distinguishing Features							

Long Term Disability (LTD)

LTD	Ball State	Indiana State University	Indiana University		Ivy Tech
Specific Plans <i>(official plan name)</i>			IU LTD Plan	Interns & Residents Disability Ins	AUL/OneAmerica Long Term Disability Insurance
Population Covered <i>(employee/retiree/student/etc.)</i>	Mandatory for employees. Starts after 90 days except for faculty & professional employees	Full time, regular benefit eligible upon completion of 3 years continuous, uninterrupted service.	Full-time Appointed Employees	Medical Center Interns	Employees (60% FTE or more)
# of Eligible Individuals	Employees 3056	1140 Active	16500	Students = 984	2,444
# of Covered Individuals <i>(by tier)</i>	Employees 3056	1140	8716	984	2,083
Description of Coverage <i>(overview)</i>		60% income protection after 180 days of continuous total disability.	four optional levels of coverage, protects income and option to protect retirement contributions	Income protection	Coverage provides for 60% income replacement to age 65, maximum benefit of \$4,000/mo.
Plan Year <i>(start and stop period)</i>	Fiscal Year July 1 to June 30	July 1 through June 30	January - December	July 1 - June 30	July 1 - June 30 each year
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	\$.71 per \$100 of covered payroll	For Income: Salary times .00235 (annual premium) / For Waiver: Salary times .00095 (annual premium)	Premiums are based on employee's age and coverage option	N/A	\$0.53 per \$100 of covered salary
University/Participant Premium Contributions <i>(monthly rates or %)</i>	75% ER /25% EE	ISU pays 100%	EE pays 100%	IU/Hosp pays 100% of student coverage	College pays premium for first \$7,200 of covered salary; thereafter - 46.25% College and 53.75% Employee
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Fully insured	Fully Insured	Fully insured, Experience Rated	Fully insured	Fully-insured
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>	CIGNA	CIGNA	Underwriter = The Standard	Underwriter = Northwestern Mutual Life	AUL/OneAmericia
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>			N/A	Underwriting = .265% of payroll	
Other Distinguishing Features			Vendor relationship combined with life ins. Unique option to protect CD retirement		

LTD	Purdue University	University of Southern Indiana	Vincennes University
Specific Plans <i>(official plan name)</i>	LTD		Long Term Disability
Population Covered <i>(employee/retiree/student/etc.)</i>	Employees	Employees after a 3 year waiting period	FT employee
# of Eligible Individuals	11715	875	804
# of Covered Individuals <i>(by tier)</i>	11715	634	716
Description of Coverage <i>(overview)</i>	LTD benefit is equal to 65 percent of your annual budgeted salary, plus 65 percent of summer session earnings for academic-year employees employed during the summer. This benefit is reduced by other periodic benefits for which the employee is eligible to	60% income replacement after 6 months off of work; \$3500/month max	Optional for all full time employees upon employment. After a waiting period of six months, if an employee is totally disabled, he or she will receive 60 percent of his basic monthly earnings, up to \$5,000, minimum of 10 percent. Plan offers a Return to Work Incentive. Coordination of benefits with SSI and State Retirement disability plan.
Plan Year <i>(start and stop period)</i>	Jan 1, 2005 - Dec 31, 2005	July 1, 2005 - June 30, 2006	January to December
Plan Premiums <i>(monthly rates by tier as appropriate)</i>		.00385 per \$1,000 of salary annuity; .00145 per \$1,000 of salary income	.0025 per \$100 biweekly
University/Participant Premium Contributions <i>(monthly rates or %)</i>	Employee portion: \$.0032 x budgeted annual salary (approx. half paid by University and half paid by Employees)	100% University Paid	50%/50%
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	Fully-insured	Fully-insured	Fully Insured
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)	Cigna		Cigna
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>			
Other Distinguishing Features		TIAA/CREF contributions continued during disability	

Employee Assistance Program (EAP)

Indiana Public Universities

EAP	Ball State	Indiana State University	Indiana University	Ivy Tech	Purdue University	University of Southern Indiana	Vincennes University
Specific Plans <i>(official plan name)</i>		Employee Assistance Program	IU EAP	Contracted for on regional basis -Varies	Purdue University	Deaconess Concern EAP	None
Population Covered <i>(employee/retiree/student/etc.)</i>	Employees	All Employees	Full-time Appointed Employees	Employees (60% FTE or more)	Employees, Retirees, and Grad Staff and their family	Employees	
# of Eligible Individuals	Employees 3056		16500		20000+	875	
# of Covered Individuals <i>(by tier)</i>	Employees 3056		16,500 plus their household members	1,532	20000+	875	
Description of Coverage <i>(overview)</i>	Self-administered through University Counseling Center	Offer 4 free visits to employee (paid by ISU) to on campus Psychology Clinic; If more than 4 visits needed, ISU assists with cost if individual/family meets assistance criteria; Weight Watchers program offered, and a Yoga and Pilates Class.	Tele referrals & up to 3 EAP sessions with local counselors	Varies by region. Regions 1, 2, 5, 6, 9, and 13 do not offer Employee Assistance Plans	Offers benefit-eligible faculty and staff, official retirees, dependent family members, domestic partners and family of deceased employees' access to confidential and professional counseling and referral services.	Short-term counseling and referrals	
Plan Year <i>(start and stop period)</i>	Fiscal Year July 1 to June 30		January - December	Varies by region		July 1, 2005 - June 30, 2006	
Plan Premiums <i>(monthly rates by tier as appropriate)</i>	N/A		Cost is covered with mental health reimbursements to IU Psy Mgt.	Varies by region	\$200,000 budgeted for 2005	\$20/person/year	
University/Participant Premium Contributions <i>(monthly rates or %)</i>	N/A	100% University Paid	IU Pays 100%	100% College	100% University Paid	100% University Paid	
Funding Arrangements <i>(insured, self-funded, stop-loss, etc.)</i>	N/A	Self-funded	Self-funded		Self funded		
All third-party contracts, with contractual agreements <i>(underwriting, network access, TPA, etc.)</i>		In house EAP Coordinator	Tele referrals, network and case mgt = IU Psy Mgt		None	Deaconess Concern EAP	
Itemized underwriting and/or admin. fees <i>(monthly rates)</i>	N/A	N/A	N/A	N/A	None	N/A	N/A
Other Distinguishing Features			Unique arrangement with IU Psy Mgt, as extension of "carve out" for MH/CD				

Flexible Benefits/FSA/Section 125 Plans

Indiana Public Universities

University	Ball State	Indiana State University	Indiana University	Ivy Tech	Purdue University		University of Southern Indiana	Vincennes University
Specific Plans (official plan name)	Health and Dependent Care	N/A	IU Tax Sever Benefit Plan	Key Benefit Administrators FlexPro Plan	Health Care Spending Account	Dependent Care Spending Account	Health and Dependent Care	Health and Dependent Care
Population Covered (employee/retiree/student/etc.)			Full-time Appointed Employees	Employees (60% FTE or more)	Employees	Employees	Employee	FT Employees
# of Eligible Individuals	Employees 3056		16500	2,444	11715	11715	875	804
# of Covered Individuals (by tier)	Medical = 784 Dependent = 64		Health Reim. = 6,311 Dependent Care Reim = 748	701 (661 - Unreimbursed Medical, 40 - Dependent Care)	5141	413	308	Health =147 Dependent = 2
Description of Coverage (overview)	Debit card available		As allowed by IRC Section 125	Medical FSA limited to \$3,000 annual contribution; debit card available	As allowed by IRC Section 125	As allowed by IRC Section 125	FSA for medical and dependent care (Medical Max = \$4,000, Dependent care max = \$5,000)	Health and Dependent Care Reimbursement Account \$5,000 max each
Plan Year (start and stop period)	September 1 to August 31		January - December	July 1 - June 30 each year	Jan 1, 2005 - Dec 31, 2005	Jan 1, 2005 - Dec 31, 2005	January 1, 2006 - December 31, 2006	
Plan Premiums (monthly rates by tier as appropriate)			N/A	N/A	N/A	N/A		
University/Participant Premium Contributions (monthly rates or %)	Employees pay 100% of cost		EE pays 100% of contributions IU pays 100% of Admin Fee	Fees - 100% College	N/A	N/A		VU pays 100% of Admin. Fee
Funding Arrangements (insured, self-funded, stop-loss, etc.)					Process in-house	Process in-house		
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)			TPA = Nyhart	Key Benefit Administrators			Nyhart	Flex Ben
Itemized underwriting and/or admin. fees (monthly rates)			Claims/CS/Consulting = \$3.10 PEPM Debit card = \$1.20 PEPM	\$5.50 PEPM; includes all fees except mailing expenses			\$5.25 admin fee per person per month	\$4.00 per participant per month
Other Distinguishing Features			Use of debit card requires affirmative election, not automatic		Will outsource for 2006		Debit Card for purchases. Online access to account	

Indiana Public Universities

Other Voluntary Benefits

Indiana Public Universities

University	Ball State	Indiana State University	Indiana University	Ivy Tech		Purdue University			University of Southern Indiana	Vincennes University
Specific Plans (official plan name)	N/A	Voluntary Life Insurance	Supplemental Life	MetLife Long Term Care Insurance	AUL/OneAmerica Supplemental Life Insurance	Universal Life Insurance	Auto/Homeowners	Pre paid Legal	Optional Life Insurance	Supplemental Life Insurance
Population Covered (employee/retiree/student/etc.)		Full time benefit eligible	Full-time Appointed Employees	Employees /retirees /family members	Employees (60% FTE or more)	Employees, Retirees, Graduate Staff	Employees, Retirees, Graduate Staff	Employees, Retirees, Graduate Staff	Employees	Optional Plan
# of Eligible Individuals		1805 active	16500		2,444	18958	18958	18958	875	FT Employees 804; Retirees 244
# of Covered Individuals (by tier)		500	5857		12 1246 (8 - grandfathered at 1/2x salary - option no longer offered; 364 - 1x salary; 229 - 2x salary; 645 - 3x salary)	800	400	100	288	FT Employees 548; Retirees 138
Description of Coverage (overview)		Term life policy for employee, spouse and dependent children. Sold in \$10,000 increments. Premiums age based.	Term ins: 1, 2, 3 or 4 X base salary; each option with a guaranteed issue limit and a maximum	Indiana Partnership Plan; direct billed to ee's home, not payroll deducted	Coverage available in increments of annual salary - 1x, 2x, 3x - maximum of \$350,000	The Guaranteed Universal Life Insurance Program with Living Benefits up To \$300,000 in coverage (lesser amounts available for eligible family members)	Auto/Homeowners Insurance via payroll deduction	Prepaid legal services via payroll deduction	Optional Life insurance coverage (up to 5 times salary for employees, 1/2 of employee salary for spouses, up to \$10,000 for children)	Optional life is available equal to basic, reducing 30% at age 65, at age 70 terminates
Plan Year (start and stop period)			January - December		July 1 - June 30 each year	Jan 1, 2005 - Dec 31, 2005	Jan 1, 2005 - Dec 31, 2005	Jan 1, 2005 - Dec 31, 2005	July 1, 2005 - June 30, 2006	
Plan Premiums (monthly rates by tier as appropriate)			Premiums are based on employee's age and coverage option: www.indiana.edu/~uhhrs/	Varies by age and coverage level	.06-2.05 per \$1,000 of coverage, based on 5-yr age bands	varies	varies	\$206.88/year	Based on age	.30 cents per month, per thousand
University/Participant Premium Contributions (monthly rates or %)			EE pays 100%	100% Member	100% Employee	Participant pays all	Participant pays all	Participant pays all	Employee Paid	40%/60%
Funding Arrangements (Insured, self-funded, stop-loss, etc.)			Self-funded, with cap on monthly and rolling 12 months liability		Fully-insured	Insured	Insured	Insured		Fully Insured
All third-party contracts, with contractual agreements (underwriting, network access, TPA, etc.)		Standard Insurance Company	TPA = The Standard			Transamerica and Future Planning Associates	Liberty Mutual and Future Planning Associates	ARAG and Future Planning Associates	Prudential	AIG Relistar
Itemized underwriting and/or admin. fees (monthly rates)			Underwriting/TPA Life = \$.000027							
Other Distinguishing Features			Reserves managed by IU							

Indiana Public Universities

University	Ball State	Indiana State University	Indiana University	Ivy Tech	Purdue University	University of Southern Indiana	Vincennes University
Specific Plans (<i>official plan name</i>)	N/A	N/A	Personal Accident Insurance.	POMCO Student Accident Insurance	PAI	N/A	N/A
Population Covered (<i>employee/retiree/student/etc.</i>)			Full-time Appointed Employees	Students	Employees		
# of Eligible Individuals			16500	22,492 FT/ PT	42,725	11715	
# of Covered Individuals (by tier)			9521	All		9617	
Description of Coverage (<i>overview</i>)			EE only or Family coverage, from \$30K to \$500K	Covers medical expenses incurred due to accidents on campus or during College-sponsored activities; maximum benefit of \$2,000 per incident	Employee: May select coverage in \$10,000 increments, up to the lesser of 10 times the employee's annual budgeted salary or \$250,000. Spouse: Coverage is available in \$10,000 increments up to \$100,000, but not to exceed the employee's amount of PAI coverage. Children: May be covered for \$10,000.		
Plan Year (<i>start and stop period</i>)			January - December	August 21 - August 20 each year	Jan 1, 2005 - Dec 31, 2005		
Plan Premiums (<i>monthly rates by tier as appropriate</i>)			Premiums are based on coverage option elected: www.indiana.edu/~uhrs/benefits	Per semester premium = \$1.20 per FT student; \$0.62 per PT student	\$.025 per \$1,000 coverage per month		
University/Participant Premium Contributions (<i>monthly rates or %</i>)			EE pays 100%	100% College	Employee pay all: \$3 per \$10,000 coverage per year		
Funding Arrangements (<i>Insured, self-funded, stop-loss, etc.</i>)			Fully Insured Experience Rated	Fully-insured	Insured		
All third-party contracts, with contractual agreements (<i>underwriting, network access, TPA, etc.</i>)			Underwriter = CIGNA		Prudential		
Itemized underwriting and/or admin. fees (<i>monthly rates</i>)							
Other Distinguishing Features			Pre-tax premium/\$125				

MERCER

Human Resource Consulting

Mercer Human Resource Consulting, Inc.
800 Market Street, Suite 2200
St. Louis, MO 63101-2506
314 588 2500